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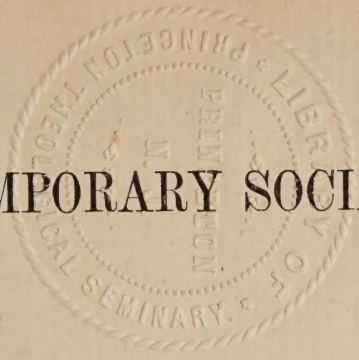
CONTEMPORARY SOCIALISM



CONTEMPORARY SOCIALISM

BY

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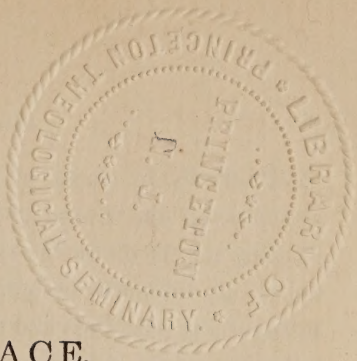
NEW YORK
CHARLES SCRIBNER'S SONS
1884

THEOLOGICAL SEMINARY
PRINCETON, N. J.

Franklin Press:
RAND, AVERY, AND COMPANY,
BOSTON.



PREFACE.

Some of the following chapters are republished, with modifications and considerable additions, from the *Contemporary Review* or the *British Quarterly*, by permission of the conductors of those periodicals, but most of the work, more than two-thirds of it, appears now for the first time. I have confined myself to the broader phases of contemporary socialism. There are many petty groups and coteries among revolutionary socialists, but it is needless to describe them in detail, because while each calls itself by its own name they differ only on minor points of future government or present policy, and adhere, all of them, to one or other of the two main types of existing social democracy — the Centralist, which is usually known as Communism, Socialism, or Collectivism, and the Anarchist, which — though also Communist, Socialist, or Collectivist — is generally known as Anarchism or Nihilism. Nor have I thought it necessary to bestow any separate treatment on what is called State Socialism; because that is either a mere general expression for any undue extension of the power of the State for the amelioration of the labouring classes, or it is the specific name of a party in Germany whose programme is just the ordinary socialist programme of nationalising land and the instruments of production, but who seek to carry it

out gradually by means of the existing State, "the Social Monarchy of the Hohenzollerns," instead of doing so all at once by means of the Social Democratic Republic; and in either case the phase of opinion the expression represents is substantially described and discussed in various parts of the following work. On the other hand, I have introduced a chapter on Henry George, although he is not a socialist, because his doctrines are in many respects closely allied with those of socialism, and because he has done more than any other single person to stir and deepen in this country an agitation which, if not socialistic, at least promises to be a mother of socialism. When the first chapter of the present book was put into type there seemed little sign of our long immunity from socialism, always so strange to foreign observers, being seriously disturbed, but now the air is busy with cries of Social Democracy, Christian Socialism, State Socialism, and every manner of social sentimentality and mysticism. Socialist societies are establishing themselves in the cities and at the universities; socialist lectures are being delivered; socialist discussions promoted; and there are already several socialist organs in the weekly and monthly press, conducted with ability and a somewhat bitter zeal, and numbering among their contributors writers whose names are held in high respect, though, it is true, for other qualities than political wisdom. These organs do not represent, nor do they profess to represent, any positive unity of opinion, but their predominant tendency is the energetic one of revolutionary social democracy, which usually in the end turns and rends the softer varieties of socialism in whose company it first sets out.

It is too soon to say what may come of this movement,

or what weight ought to be assigned to it. It would be foolish to disparage it. Haxthausen thought Russia was protected from socialism by her rural commune. Professor von Stein thought Germany was protected from it by her want of manufacturing industries. Yet both were signally mistaken, and we may possibly cherish a like error if we fancy ourselves to possess a sure protection against socialism in the practical character of our people and our habits of free and open discussion. What is called practicality is no safeguard against delusive ideas outside one's own immediate field of practical activity, and there is perhaps no country, except the still more practical country of America, where more favour is shown to fanaticism of any kind, if there seems to be heart in it. Besides, there are everywhere many to whom the practical test of a scheme will not be, shall we be any better for the change? but rather, can we be any worse for it? and who will look with nothing but hope to any manner of revolution. At the same time, if we compare the present movement with the Chartist movement a generation ago, we shall run no risk of overrating its importance. Chartism was essentially a social democratic movement, aiming, like the socialism of our day, at the conquest by the labouring classes of the political power of the State for the purpose of using it as the direct instrument of their own social amelioration; but in Chartism the whole of the labouring classes of the time were more or less represented. The general economic position of every section of these classes was then much less favourable and hopeful than it now is, and many sections of them suffered serious distress. But the classes that were then most active and disturbed have meanwhile found a way of hope and comfort, and are not

only quiet, but decidedly anti-revolutionary. The present movement is thus, in a sense, much more partial than Chartism. It ferments round the grievances of particular classes, especially the agricultural labourers in the country, and what are called the outcast poor in the cities. But these grievances have raised questions that cut deep and reach far, and while the waters are troubled with such questions, it is only natural to find socialism or other forms of extreme opinion flitting about on the top of the wave.

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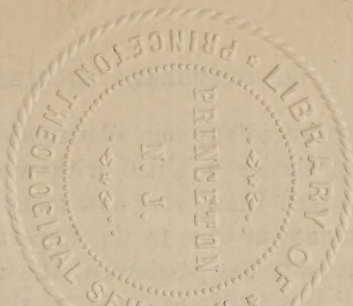

CONTEMPORARY SOCIALISM.

CHAPTER I.

INTRODUCTORY.

It was a common topic of congratulation at the Exhibition of 1862 that the political atmosphere of Europe was then entirely free from the revolutionary alarms which overclouded the first Exhibition in 1851; but in that very year the old clouds began to gather once more at different quarters of the horizon. It was in 1862 that Lassalle delivered to a club of working men in Berlin his address on "The present Epoch of the World, and the Idea of the Working Class," which was published shortly afterwards under the title of "The Working Man's Programme," and which has been called by his friends "The Wittemberg Theses" of the new socialist movement; and it was at the Exhibition itself that those relations were established between the delegates of English and French trade societies which issued eventually in the organisation of the International. The double train thus laid has put in motion a propaganda of social revolution more vigorous, widespread, and dangerous than any which has preceded it.

But though the reappearance of socialism was not immediately looked for at the time, it could cause no

serious surprise to any one who considered how nearly the socialist theory is allied with some of the ruling ideas of modern times, and how many points of attraction it presents at once to the impatient philanthropy of enthusiasts, to the passions of the multitude, and to the narrow but insistent logic of the numerous class of minds that make little account of the complexity of life. Socialism will probably never keep long away during the present transitional period of society, and there is therefore less interest in the mere fact of its reappearance than in marking the particular form in which, after a prolonged retirement, it has actually returned; for this may perhaps be reasonably taken to be its most vital and enduring type, and consequently that with which we shall mainly have to reckon in the future.

Now the present movement is, before all, political and revolutionary. The philanthropic and experimental forms of socialism, which played a conspicuous rôle before 1848, perished then in the wreck of the Revolution, and have never risen to life again. The old schools have dispersed. Their doctrines, their works, their very hopes, have gone. The theories of man's entire dependence on circumstances, of the rehabilitation of the flesh, of the passional attraction, once in everybody's mouth, have sunk into oblivion. The communities of Owenites, St. Simonians, Fourierists, Icarians, which multiplied for a time on both sides of the Atlantic, are extinct. The socialists of the present day have discarded all belief in the possibility of effecting any social regeneration except by means of political authority, and the first object of their endeavours is therefore the conquest of the powers of the State. There are some exceptions, but these are very unim-

portant. The communistic societies of the United States, for instance, are mostly organisations of eccentric religious sects which have no part or influence in the life of the century. The Colinsian Collectivists, followers of the Belgian socialist, Colins, are a mere handful; and the Familistère of Guise in France — a remarkable institution, founded since 1848, by an old disciple of Fourier, though not on Fourier's plan — stands quite alone, and has no imitators. Non-political socialism may accordingly be said to have practically disappeared.

Not only so, but out of the several sorts and varieties of political socialism, only one has revived in any strength, and that is the extremest and most revolutionary. It is the democratic communism of the Young Hegelians, and it scouts the very suggestion of State-help, and will content itself with nothing short of State-transformation. Schemes such as were popular and noisy thirty years ago — schemes, involving indeed organic changes, but organic changes of only a partial character — have gone to their rest. Louis Blanc, for example, was then a name of some power; but remarkably enough, though Louis Blanc was but the other day buried with great honour, his Organisation of Labour seems to be as completely forgotten as the Circulus of Leroux. M. G. de Molinari writes an interesting account of the debates that took place in the working men's clubs of Paris in the year 1868–9 — the first year they were granted liberty of meeting after the establishment of the Second Empire — and he states that while Fourier and Cabet were still quoted by old disciples, though without any idea of their systems being of practical moment, Louis Blanc's name was not even mentioned. Proudhon's gospel of a state bank of

mutual credit for furnishing labourers with capital, by issuing inconvertible notes without money and without price, has still a sprinkling of faithful believers, who call themselves Mutualists; but they are extremely few, and, as a rule, the socialists of France at the present day, like those of Germany, put their faith in iron rather than paper. What they want is a democracy of labour, to use one of their own phrases — that is, a state in which power and property shall be based on labour; where citizenship shall depend on a labour qualification, instead of a qualification of birth or of property; where there shall be no citizen who enjoys without labouring, and no citizen who labours without enjoying; where every one who is able to work shall have employment, and every one who has wrought shall retain the whole produce of his labour; and where accordingly, as the indispensible prerequisite of the whole scheme, the land of the country and all other instruments of production shall be made the joint property of the community, and the conduct of all industrial operations be placed under the direct administration of the State. Furthermore, all this is contended for as a matter of simple right and justice to the labouring classes, on the ground that the wealth of the nation belongs to the hands that made it; it is contended for as an obligation of the State, because the State is held to be merely the organised will of the people, and the people is the labouring class; and it is contended for as an object of immediate accomplishment — if possible, by ordinary constitutional means, but, if not, by revolution.

This is the form in which socialism has reappeared, and it may be described in three words as Revolutionary Socialist Democracy. The movement is divided into two main branches — German Socialism and

Russian Nihilism — but the differences between these two branches are only such as the same movement might be expected to exhibit in passing through different media, personal or national. Modern democrats have been long divided into Centralists and Federalists — the one party seeking to give to the democratic republic they contemplate a strongly centralised form of government, and the other preferring to leave the local communes comparatively independent and sovereign, and free, if they choose, to unite themselves in convenient federations. The federal republic has always been the favourite ideal of the democrats of Spain and of the Communards of Paris, and there is generally a tendency among Federalists, in their impatience of all central authority, to drop the element of federation out of their ideal altogether and to advocate the form of opinion known as "anarchy" — that is, the abolition of all superior government. It was very natural that this ancient feud among the democrats should appear in the ranks of socialist democracy, and it was equally natural that the Russian Radicals, hating the autocracy of their country and idealising its rural communes, should become the chief adherents of the federalist and even the anarchic tradition.

This is the only point of principle that separates nihilism from socialism. In other respects nihilism may be said to be but an extremer phase of socialism. It indulges in more violent methods and in a more omnivorous spirit of destruction. Its fury takes a wider sweep; it attacks all current beliefs and all existing institutions; it puts its hopes in universal chaos. I shall endeavour in a future chapter to explain, from peculiarities of the national character and culture, why this gospel of chaos should find so much acceptance

in Russia; but it is no exclusively Russian product. It was preached with singular coolness, as will be subsequently shown, by some of the Young Hegelians of Germany before 1848, and it obtains among the more volatile members of most socialist organisations still. Attacks on religion, patriotism, the family, are very usual accessories of their practical agitations everywhere. As institutions and beliefs are seen to lend strength to each other, teeth, set on edge against one are easily brought to gnash at all. A sharp check from the public authority generally brings out to the front this extremer element in German socialism. After the repressive legislation of 1878 the German socialists struck the restriction of proceeding "by legal methods" out of their programme, and the wilder spirits among them would be content with nothing short of a policy of general destruction, and being expelled from the party, started an organisation of their own on thoroughly nihilist lines. The nihilism and socialism of the present time developed from the same circle of opinion, for Bakunin and Chernycheffsky, the founders of the one, were Young Hegelians of the Extreme Left, as well as Marx and Lassalle, the founders of the other; and they both show the same characteristics of being democratic and revolutionary even more than socialistic.

Under these influences, the word socialism has come to contract a new meaning, and is now generally defined in a way that would exclude the very theories it was originally invented to denote. Its political element — its demand on the public power in behalf of the labouring class — is taken to be the pith and essence of the system. Mr. Cairnes, for example, says that the circumstance which distinguishes socialism from all other modes of

social speculation is its invocation of the powers of the State, and he finds fault with Mr. Mill for describing himself in his "Autobiography" as a socialist, merely because his ideal of ultimate improvement had more in common with the ideal of socialistic reformers than with the views of those who in contradistinction would be called orthodox. The passage from the "Autobiography" runs as follows: — "While we repudiated with the greatest energy that tyranny of society over the individual which most socialistic systems are supposed to involve, we yet looked forward to a time when society will no longer be divided into the idle and the industrious; when the rule that they who do not work shall not eat will be applied, not to paupers only, but impartially to all; when the division of the produce of labour, instead of depending, as in so great a degree it now does, on the accident of birth, will be made by concert on an acknowledged principle of justice; and when it will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to." (Autobiography, pp. 231–232.) On this passage Mr. Cairnes observes: — "If to look forward to such a state of things as an ideal to be striven for is socialism, I at once acknowledge myself a socialist; but it seems to me that the idea which 'socialism' conveys to most minds is not that of any particular form of society to be realised at a future time when the character of human beings and the conditions of human life are widely different from what they now are, but rather certain modes of action, more especially the employment of the powers of the State for the instant accomplishment of ideal schemes, which is the invariable

attribute of all projects generally regarded as socialistic. So entirely is this the case that it is common to hear any proposal which is thought to involve an undue extension of the powers of the State branded as socialistic, whatever be the object it may seek to accomplish. After all, the question is one of nomenclature merely; but people are so greatly governed by words that I cannot but regret that a philosophy of social life with which I so deeply sympathise, should be prejudiced by verbal associations fitted, as it seems to me, only to mislead." (Leading Principles of Political Economy, p. 316.)

Mr. Cairnes's objection is just, for a reformer's position ought to be determined, not by the distant ideal he may think best, if the conditions were ripe for its realisation, but by the policy which he counts to be of present importance under the conditions that exist. He may cherish, as many orthodox economists do, the socialist hope. He may look for a time when comfort and civilisation shall be more universally and securely diffused; when heads and hands in the world of labour shall work together in amity; when competition and exclusive private property and self-interest shall be swallowed up in love and common labour. But he knows that the transformation must be gradual, and that the material conditions of it must never be pushed on in advance of the intellectual and moral. And this cuts him off by a whole diameter from those who are now known as socialists. In every question of the day he will be found in an opposite camp from them. For he makes the ideal what it is and ought to be, the goal of his action; they make it their starting-point, and the peculiarity of the case is that with their view of the situation they cannot make it anything else. For

to their mind the struggle they are engaged in is not a struggle for amelioration, but for plain and elementary right. It is not a question of providing greater happiness for the greatest number; it is a question of doing them bare justice, of giving them their own, of protecting them against a disguised but very real expropriation. They declare that, under the present industrial arrangements, the labouring classes are in effect robbed of most of the value of the work of their hands, and of course the suppression of systematic robbery is an immediate obligation of the present. Justice is a basis to start from now, if possible, and not a dream to await hereafter. First let the labouring man have his rights, they cry, and then and then only shall you have the way clear for any further parley about his future. It is true that he is not the victim of individual rapacity so much as of the system, and that he cannot get his rights till the system is completely changed, but the system, they argue, can never be completely changed except by the power of the State, and why then not change it at once? Now, it is obvious how to people who take this view of the matter there should seem no other alternative but an instant reconstruction of industrial society at the hands of the State. For if it is justice that has to be done, then it appears only natural to conclude that it falls upon the State, as the organ of justice, to do it, and that it cannot do it too soon. The demand for the immediate accomplishment of their scheme by public authority is thus no accidental accessory of it merely, but is really inseparable from the ideas on which the scheme is founded. It is, in fact, so much, if I may use the word, the *note* of socialism wherever socialism makes itself heard in the world now, that it can only produce confusion to give the name of so-

cialist to persons who hold this note in abhorrence, and virtually desire no more than the gradual triumph of co-operation.

It may be answered that the latter, like the former, aim not at a mere reform of the present industrial system, but at an essential change in its fundamental principles — at an eventual suppression of exclusive property and unrestricted competition — and that it is therefore only proper to classify them with those who seek the like important end, however they may differ from the latter as to the means and seasons of action. This might be right, perhaps, if our only consideration were to furnish a philosophical classification of opinions, but we have to deal with a living and agitating party whose name and work are much canvassed, and there is at any rate great practical inconvenience in extending the current designation of that party so as to include persons who object strongly to its whole immediate work; to Rodbertus, for example, who wished private property to be converted into common property, but gave five hundred years at least for the process; or to Maurice, who, believing sincerely enough that competition was the tap-root of all evils, knew at the same time that it could not be extirpated by the State or by institutions of any kind without a moral and intellectual improvement of society.

The inconvenience of this usage is increased by the circumstance that the term is even more frequently extended unduly in precisely the contrary direction. It is not only applied to persons who desire to see industrial society built on a new fundamental principle, even though they refuse to call the State to their counsels in the matter at all, but it is very commonly applied to persons who have no wish whatever to alter

the principle of the present system, merely because they invoke the exercise of authority for the execution of certain immediate reforms. For example, the Socialists of the Chair and the Christian Socialists of Germany contemplate nothing beyond correctives and palliatives of existing evils, but then they ask the State to administer them. They ask the State to inspect factories, or to legalise trades' unions, or to organise working class insurance, or to fix fair wages. Their requests may be wise or foolish, but none of them, nor all of them together, would either subvert or transform the existing industrial system; and those who propound them are called socialists merely because they make it part of the State's business to deal with social questions, or perhaps more particularly because they make it the State's business to deal with social questions in the interest of the working class. This idea of socialism seems largely to govern the current employment of the term. We often hear any fresh extension of the functions of the State condemned as socialistic even when the extension is not supposed to be made in the interests of the working class, or to be conducive to them. The purchase of the telegraphs was socialistic; the proposal to purchase the railways is socialistic; a national system of education is socialistic; and an ecclesiastical establishment, if it were now brought forward as a new suggestion, would be pronounced socialistic, too. Since, in a socialistic community, all power is assigned to the State, any measure which now increases the power of the State gets easily represented as an approach to socialism, especially in the want — and it is one of our chief wants at present — of a rational and discriminating theory of the proper limits and sphere of public authority.

But in the prevailing use of the word, there is generally the idea that the intervention of authority to which it is applied is undertaken to promote the well-being of the less fortunate classes of society. Since socialism seeks to construct what may be called a working class State, where the material welfare of each shall be the great object of the organisation of all, it is common to represent as socialistic any proposal that asks the State to do something for the material well-being of the working class, and to describe any group of such proposals or any theory that favours them by the name of socialism. The so-called State-Socialism of Prince Bismarck, for example, is only, as he has himself declared, a following-out of the traditions of the House of Hohenzollern, the princes of that dynasty having always counted it one of their first duties as rulers to exercise a special protection and solicitude over the poorer classes of their subjects. The old ideas of feudal protection and paternal government have charms for many minds that deplore the democratic spirit of modern society. In Germany they have been maintained by the feudal classes, the court, and the clergy; their presence in the general intellectual atmosphere there has probably facilitated the diffusion of socialistic views; and they have certainly led to the curious phenomenon of a Conservative Socialism, in which the most obstinately Conservative interests in the country go to meet the Social Democrats half-way, and promise to do everything to get them better wages if they will but come to church again, and pray for the Kaiser. The days of feudal protection and paternal government are gone; as idealised by Carlyle they perhaps never existed; at any rate, in an age of equality they are no longer possible, but their modern counter-

parts are precisely the ideas of social protection and fraternal government which find their home among socialists. On the strength of this analogy, Prince Bismarck and his imperial master are sometimes spoken of as socialists, because they believe, like the latter, that the State should exercise a general or even a particular providence over the industrial classes. But socialism is more than such a belief. It is not only a theory of the State's action, but a theory of the State's action founded on a theory of the labourer's right. It is at bottom a demand for social justice. It tells us that an enlargement of social justice was made when it was declared that every man shall be free — or, in other words, that every man shall possess completely his own powers of labour; and it claims that a new enlargement of social justice shall be made now, to declare that every man shall possess the whole produce of his labour. Now, this claim of right is really at the bottom of the whole movement, and necessitates both the invocation of authority and the demand for immediate realisation, as well as the communistic changes proposed to realise it by. Those who are known as Conservative Socialists, in patronising the working people, do not dream of countenancing any such claim, or of admitting in the least that there is anything positively unjust in the present industrial system. None of them would go further than to say that the economic position of the labourer is insufficient to satisfy his legitimate aspirations in a civilised community; few of them would go so far. It is therefore only confusing to class them among socialists. M. Limousin speaks of a "minimum of socialism." He would call no man a socialist who does not hold this minimum, and he would call every man a socialist who does hold it. And the mini-

mum of socialism, in his opinion, is this, that the State owes a special duty of protection to labourers because they are poor, and that this duty consists in securing to them a more equitable part in the product of general labour. The latter clause might have been better expressed in less general terms, but that may pass. The definition recognises at any rate that the paternal or the fraternal theory of government does not of itself constitute socialism, and that this must be combined with the demand for a new distribution of wealth on grounds of justice or equity, before we have even the minimum of socialism. Mill holds a more or less socialistic idea of what a just society would be; Bismarck holds a more or less socialistic view of the functions of the State; but neither of these ideas separately makes up the minimum of socialism; and it would therefore be misleading to call either of them by that name, while to call both by it would be hopeless confusion, since the one politician holds exactly what the other rejects, and no more. But, after all, it is of less importance to define socialism in the abstract than to describe the actual concrete socialism that has organisation and life, especially as the name is only transferred in common speech to all these varying shades of opinion, because they are thought to resemble that concrete socialism in one feature or another.

Having now ascertained the general nature of the contemporary socialistic movement, we shall be in a better position to judge of its bearings and importance. We have seen that the only form of socialism which has come to life again since 1848, is the political and revolutionary phase of Social Democracy. Now, this was also the original form in which socialism first ap-

peared in modern Europe at the time of the earlier Revolution of 1789. The tradition it represents is consequently one of apparently vigorous vitality. It has kept its place in European opinion for a hundred years, it seems to have grown with the growth of the democratic spirit, and it has in our own day broken out simultaneously in most of the countries of the continent, and in some of them with remarkable energy. A movement like this, which seems to have taken a continuous and extensive hold of the popular mind, and which moreover has a consciousness of right, a passion for social justice, however mistaken, at the heart of it, cannot be treated lightly as a political force; but at the same time its consequence is apt to be greatly overrated both by the hopes of sanguine adherents and by the apprehensions of opponents. Socialists are incessantly telling us that their system is the last word of the Revolution, that the current which broke loose over Europe in 1789 is setting, as it could not help setting, in their direction, and that it can only find its final level of repose in a democratic communism. Conservative Cassandras tell us the same thing, for the Extreme Right takes the same view as the Extreme Left does of the logical tendency of measures. They feel things about them moving everywhere towards equality, they feel themselves helpless to resist the movement, and they are sure they shall waken one morning in a social revolution. Stahl, for example, thought democracy necessarily conducted to socialism, and that wherever democracy entered, socialism was already at the door. A few words will therefore be still necessary towards explaining, first, the historical origin of modern socialism; second, the relations of socialism to democracy, and, finally, the extent and character of the spread of the present movement.

Respecting the first of these three points, modern socialism was generated out of the notions about property and the State which appeared towards the close of last century in the course of the speculations then in vogue on the origin and objects of civil society, and which were proclaimed about the same time by many different writers — by Brissot, by Mably, by Morelly, and above all by Rousseau. Their great idea was to restore what they called the state of nature, when primitive equality still reigned, and the earth belonged to none, and the fruits to all. They taught that there was no foundation for property but need. He who needed a thing had a right to it, and he who had more than he needed was a thief. Rousseau said every man had naturally a right to whatever he needed; and Brissot, anticipating the famous words of Proudhon, declared that in a state of nature "exclusive property was theft." It was so in a state of nature, but it was so also in a state of society, for society was built on a social contract, "the clauses of which reduce themselves to one, viz., the total transfer of each associate, with all his rights, to the community." The individual is thus nothing, the State is all in all. Property is only so much of the national estate conditionally conceded to the individual. He has the right to use it, because the State permits him, while the State permits him, and how the State permits him. So with every other right; he is to think, speak, train his children, or even beget them, as the State directs and allows, in the interest of the common good.

These ideas circulated in a diffuse state till 1793. They formed as yet neither system nor party. But when Joseph Baboeuf, discarding his Christian name of Joseph (because, as he said, he had no wish for Joseph's

virtues, and so saw no good in having him for his patron saint), and taking instead the ominous name of Caius Gracchus, organised the conspiracy of the *Égaux* in that year, then modern socialism began, and it began in the form in which it still survives. Baboeuf's ambition was to found what he called a true democratic republic, and by a true democratic republic he meant one in which all inequalities, whether of right or of fact, should be abolished, and every citizen should have enough and none too much. It was vain, he held, to dream of making an end of privilege or oppression until all property came into the hands of the Government, and was statedly distributed by the Government to the citizens on a principle of scrupulous equality. Misled by the name Caius Gracchus, people thought he wanted an agrarian law and equal division. But he told them an agrarian law was folly, and equal division would not last a twelvemonth, if the participants got the property to themselves. What he wanted, he said, was something much more sublime — it was community of goods. Equality could only be made enduring through the abolition of private property. The State must be sole proprietor and sole employer, and dispense to every man his work according to his particular skill, and his subsistence in honourable sufficiency according to his wants. An individual who monopolised anything over and above such a sufficiency committed a social theft. Appropriation was to be strictly limited to and by personal need.

Baboeuf saw no difficulty in working the scheme; was it not practised every day in the army with 1,200,000 men? If it were said, the soil of France is too small to sustain its population in the standard of sufficiency contemplated, then so much the

worse for the superfluous population; let the greater landlords first, and then as many sansculottes as were redundant, be put out of the way for their country's good. He actually ascribed this intention to Robespierre, and spoke of the Terror as if it were an excellent anticipation of Malthusianism. Did any one say that, without inequalities, progress would cease and arts and civilisation decay, Baboeuf was equally prepared to take the consequences. "Perish the arts," said a manifesto discovered with him at his apprehension, "but let us have real equality." "All evils," he said in his newspaper, "are on their trial. Let them all be confounded. Let everything return to chaos, and from chaos let there rise a new and regenerated world."

We have here just the revolutionary socialist democracy that is still rampant over Europe. Socialists now indeed generally make light of the difficulty of overpopulation which Baboeuf solved so glibly with the guillotine, and they contend that their system would humanize civilisation instead of destroying it. They follow, too, a different tradition from Baboeuf regarding the right of property. While he built that right on need, they built it on labour. He said the man who has more than he needs is a thief; they say the man who has more than he wrought for is a thief. He would have the State to give every man an honourable sufficiency right off, according to his need; they ask the State to give every man according to his work, or, if unfit for work, according to his need, and they hold that this rule would afford every one an honourable sufficiency. But these differences are only refinements on Baboeuf's plan, and its main features remain — equality of conditions, nationalisation of property, democratic tyranny, a uniform medium fatal to progress, an omni-

present mandarin control crushing out of the people that energy of character which W. von Humboldt said was the first and only virtue of man, because it was the root of all other excellence and advancement. In short, socialists now seek, like Baboeuf, to establish a democratic republic — a society built on the equal manhood of every citizen — and, like Baboeuf, they think a true democratic republic is necessarily a socialistic one.

This brings me to the next point I mentioned, the interesting problem of the true relations of socialism to democracy. Is socialism, as Stahl and others represent, an inevitable corollary of democracy? If so, our interest in it is very real, and very immediate. For democracy is already here, and is at present engaged in every country of Europe in the very work of re-organising the social system into harmony with democratic requirements. Its hammer may make little sound in some places, but the work proceeds none the less effectually for the silence, and it will proceed, slowly or more rapidly, until all the institutions of the country have been renovated by the democratic spirit. Will the social system, which will result from the process, be socialism? "The gradual development of the principle of equality," says De Tocqueville, "is a providential fact. It has all the characteristics of such a fact. It is universal; it is durable; it constantly eludes all human interference; and all events, as well as all men, contribute to its progress. Would it be wise to imagine that a social movement, the causes of which lie so far back, can be checked by the efforts of one generation? Can it be believed that the democracy which has overthrown the feudal system and vanquished kings will retreat before tradesmen and capitalists? Will it stop

now that it has grown so strong, and its adversaries so weak?" If, then, the natural tendency of democracy is to socialism, to socialism we must eventually go.

But the natural tendency of democracy is not to socialism. A single plain but remarkable fact suffices to establish that. Democracy has been in full bloom in America for more than a century, and there are no traces of socialism there except among some German immigrants of yesterday; for, of course, the communism of the eccentric religious sects of America proceeds from religious ideals, and has no bearing one way or other on the social tendency of democracy. The labouring class is politically everything in that country — every thing at least that electoral power can make them in an elective republic; and they have never shown any desire to use their political power to become socially everything or to interfere with the freedom of property. Had this been in any way the necessary effect of democratic institutions, it must have by this time made its appearance in the United States. De Tocqueville indeed maintains that so far from there being any natural solidarity between democracy and socialism, they are absolutely contrary the one to the other. "Democracy," he said in a speech in the Republican Parliament of France in 1849, "extends the sphere of individual independence, socialism contracts it. Democracy gives every individual man his utmost possible value, socialism makes every man an agent, an instrument, a cipher. Democracy and socialism coincide only in the single word equality, but observe the difference: democracy desires equality in liberty, socialism seeks equality in compulsion and servitude."

That is so far substantially true, but it cannot be received altogether without qualification. We have had

experience in modern times of two different forms of democracy, which may be called the American and the Continental. In America equality came as it were by nature, without strife and without so much as observation; the colonists started equal. But freedom was only won by sacrifice; the first pilgrims bought it by exile; the founders of the Republic bought it a second time by blood. Liberty therefore was their treasure, their ark, their passion; and having been long trained in habits of self-government, they acquired in the daily exercise of their liberty that strong sense of its practical value, and that subtle instinct of its just limits, which always constitute its surest bulwarks. With them the State was nothing more than an association for mutual protection — an association, like any other, having its own definite work to do and no more, and receiving from its members the precise powers needed for that work and no more; and they looked with a jealousy, warm from their history and life, on any extension of the State's functions or powers beyond those primary requirements of public safety or utility which they laid upon it. In the United States property is widely diffused; liberty has been long enjoyed by the people as a fact as well as loved by them as an ideal; the central authority has ever been held in comparative check; and individual rights are so general a possession that any encroachment upon them in the name of the majority would always tread on interests numerous and strong enough to raise an effectual resistance. Democracy has in America, accordingly, a soil most favourable to its healthy growth; the history, the training, and the circumstances of the people all concur to support liberty.

But on the Continent democracy sprang from very

different antecedents, and possesses a very different character. Equality was introduced into France by convulsion, and has engrossed an undue share of her attention since. Freedom, on the other hand, has been really less desired than power. The Revolution found the affairs of that country administered by a strong centralised organisation, with its hand everywhere and on everything, and the Revolution left them so. Revolution has succeeded revolution; dynasties and constitutions have come and gone; almost every part of the political and social system has suffered change; the form of government has been republic, empire, monarchy, empire, and republic again; but the authority of government, its sphere, its attributes, have remained throughout the same. Each party in succession has seized the power of the State, but none has sought to curb its range. On the contrary, their temptation lay the other way; they have been always so bent on using the authority and mechanism of government to impair or suppress the influence of their adversaries, whom they regarded as at the same time the adversaries of the State, that they could only wish that authority to be larger and that mechanism more perfect than they already were. Even the more popular parties are content to accept the existing over-government as the normal state of affairs, and always strive to gain the control of it rather than to restrain its action. And so it has come about that, while they sought liberty for themselves, they were afraid to grant it to their opponents, for fear their opponents should be able to get the authority of this too powerful administration into their hands and serve them in the same way. The struggle for freedom has thus been corrupted into a struggle for power. That is the secret of the pathetic story of

modern France. That is why, with all her marvellous efforts for liberty, she has never fully possessed it, and that is why she seems condemned to instability.

A growing minority of the democratic party in France is indeed opposed to this unfortunate over-government, but the democratic party in general has always countenanced it, perhaps more than any other party, because to their minds government represents the will of the people, and the people cannot be supposed to have any reason to restrain its own will. Besides, they are still dominated by the doctrines of Rousseau and the other revolutionary writers, who looked with the utmost contempt on the American idea of the State being a kind of joint-stock association organised for a circumscribed purpose and with limited powers, and who held the State, on the contrary, to be the organ of society in all its interests, desires, and needs, and to be invested with all the powers and rights of all the individuals that compose it. Under the social contract, by which they conceived the State to be constituted, individuals gave up all their rights and possessions to the community, and got them back immediately afterwards as mere State concessions, which there could be no injustice in withdrawing again next day for the greater good of the community. Instead of enjoying equal freedom as men, the great object was to make them enjoy equal completeness as citizens.

From historical conditions like these there has sprung up on the Continent — in Germany as well as France — a quite different type of democracy from the American, and this type of democracy, while it may not be the best, the truest, or the healthiest type of it, has a tendency only too natural towards socialism. It contains in its very build and temperament, organic conditions

that predispose it to socialism as to its peculiarly besetting disease. It evinced this tendency very early in the history of the Revolution. As Ledru-Rollin reminded De Tocqueville, in replying to his speech, the right to labour on the part of the strong and the right to assistance on the part of the weak were already acknowledged by the Convention of 1793. These claims may be said to constitute the very A B C of socialism, and they have always moved with more or less energy in the democratic tradition of the Continent. Democracy, guided by the spirit of freedom, will resist socialism; but authoritative democracy, such as finds favour abroad, leans strongly towards it. A democratic despotism is obviously more dangerous to property than any other, inasmuch as the despot is, in this case, more insatiable, and his rapacity is so easily hid and even sanctified under the general considerations of humanity that always mingle with it.

It is therefore manifest that the question whether political democracy must end in social, is one that cannot be answered out of hand by deduction from the idea. The development will differ in different countries, for it depends on historical conditions, of which the most important is that I have now touched on, whether the national character and circumstances are calculated to guide that development into the form of democratic liberty or into the form of democratic tyranny. A second condition is scarcely less important, viz., whether the laws and economical situation of the country have conduced to a dispersion or to a concentration of property. For even in the freest democracy individual property can only be permanently sustained by diffusion, and, if existing conditions have isolated it into the hands of the few, the many will lie under a

constant, and in emergencies, an irresistible temptation to take freedom in their hand, and force the distribution of property by law, or nationalise it entirely by a socialistic reconstruction. It used to be a maxim in former days that power must be distributed in some proportion to property, but with the advent of democracy the maxim must be converted, and the rule of health will now be found in having property distributed in some proportion to power. That is the natural price of stability under a democratic regime. A penniless omnipotence is an insupportable presence. When supreme power is vested in a majority of the people, property cannot sit securely till it becomes so general a possession that a majority of the people has a stake in its defence; and this point will not be reached until at least a large minority of them are actually owners, and the rest enjoy a reasonable prospect of becoming so by the exercise of care and diligence in their ordinary avocations.

The future thus stands before us with a solemn choice: property must either contrive to get widely diffused or it will be nationalised altogether; and the fate of free institutions hangs upon the dilemma. For in a democratic community the peril is always near. De Tocqueville may be right in saying that such communities, if left to themselves, naturally love liberty; but there are other things they love more, and this profound political philosopher has himself pointed out with what exceptional vigour they nourish two powerful passions, either of which, if it got the mastery, would prove fatal to freedom. One is the love of equality. "I think," says he, "that democratic communities have a natural taste for freedom; left to themselves they will seek to cherish it, and view every privation of it

with regret. But for equality their passion is ardent, insatiable, insistent, invincible; they call for equality in freedom, and if they cannot obtain that, they still call for equality in slavery. They will endure poverty, servitude, pauperism, but they will not endure aristocracy." The other is the unreined love of material gratification. By this De Tocqueville does not mean sensual corruption of manners, for he believes that sensuality will be more moderate in a democracy than in other forms of society. He means the passion for material comfort above all other things, which he describes as the peculiar passion of the middle classes, the complete absorption in the pursuit of material well-being and the means of material well-doing, to the disparagement and disregard of every ideal consideration and interest, as if the chief end and whole dignity of man lay in gaining a conventional standard of comfort. When a passion like this spreads from the classes whose vanity it feeds to the classes whose envy it excites, social revolution is at the gates, and this is one of De Tocqueville's gravest apprehensions in contemplating the advance of democracy. For he says that the passion for material well-being has no check in a democratic community except religion, and if religion were to decline — and the pursuit of comfort undoubtedly impairs it — then liberty would perish. "For my part," he declares, "I doubt whether man can ever support at once complete religious independence and entire public freedom; and I am inclined to think that if faith be wanting in him he must serve, and if he be free he must believe." It is impossible therefore, in an age when the democratic spirit has grown so strong and victorious, to avoid taking some reasonable concern for the future of liberty, more especially as at the same time the sphere

and power of government are being everywhere continually extended, the devotion to material well-being, and what is called material civilisation, is ever increasing, and religious faith, particularly among the educated and the working classes, is on the decline.

This is exactly the rock ahead of the modern State, of which we have been long warned by keen eyes aloft, and which seems now to stand out plainly enough to ordinary observers on the deck. Free institutions run continual risk of shipwreck when power is the possession of the many, but property — from whatever cause — the enjoyment of the few. With the advance of democracy a diffusion of wealth becomes almost a necessity of State. And the difficulty only begins when the necessity is perceived. For the State cannot accomplish any lasting or effective change in the matter without impairing or imperilling the freedom which its intervention is meant to protect — without, in short, becoming socialist, for fear of socialism; and when it has done its best it finds that the solution is still subject to moral and economical conditions which it has no power to control. In trade and manufactures, which occupy such vast and increasing proportions of the population of modern countries, the range of the State's beneficial or even possible action is very little; and in these branches the natural conditions at present strongly favour concentration or aggregation of capital. The small masters have simply been worsted in ordinary competition with the large producers, and so long as the large system of production continues the cheapest system of production, no other result can be expected. The social problem, therefore, so far as these branches are concerned, is to discover some form of co-operative arrangement which shall reconcile the large system of production with the

interests of the labouring class, unless, indeed — what is far from impossible — the large system of production is itself to be superseded in the further advance of industrial development. The economical superiority of that system depends greatly on the circumstance that the power now in use — water or steam — necessitates the concentration of machinery at one spot; but Mr. Babbage predicted fifty years ago that if a new power were to be discovered that could be generated in a central place in quantities sufficient for the requirements of a whole community, and then distributed, as gas is, wherever it was wanted, the age of domestic manufactures would return. Every little community might then find it cheaper, by saving carriage, and availing itself of cheaper local labour, to manufacture for itself many of the articles now made for it at the large mills; and the small factory or workshop, so suitable, among other advantages, for co-operative enterprise, would multiply everywhere. Now, have we such a power in electricity? If so, not the least important effect of the new agent will be its influence on the diffusion of wealth, and its aid towards the solution of the social problem of the nineteenth century.

With land and agriculture the situation is somewhat different. The distribution of landed property has always depended largely on legal conditions, and since these conditions have — in this country at least — wrought for two centuries in favour of the aggregation of estates, their relaxation may reasonably be expected to operate to some extent in the contrary direction. Too much must not be built on this expectation, however, for the natural conditions are at present at least as partial to the large property as the legal. The abolition of entail and primogeniture, by emancipating the

living proprietor from the preposterous tyranny of the dead, and by bringing to the burdened the privilege of sale, must necessarily throw greater quantities of land into the market than reach it now, but the redistribution of that land will as necessarily conform to the existing social and economical circumstances of the country; and England will never cease to be characterised by the large property, so long as its social system lends exceptional consideration to the possession of land, and its commercial system is continually creating an exceptional number of large fortunes. The market for the large estate is among the wealthy, who buy land as an instrument of enjoyment, of power, of social ambition, and what with the wealth made at home and the wealth made in the colonies, the number of this class is ever on the increase; the natural market for the small estate, on the other hand, is among the farming class, to whom land is a commercial investment, and the farmers of England, unlike those of other countries, unlike those of our own country in former days, are as a rule positively indisposed to purchase land, finding it more profitable to rent it. This aversion, however, is much more influential with large farmers than with small ones. It is commonly argued as if a small farmer who has saved money will be certain to employ it in taking a more extensive holding, but that is not so. On the contrary, he more usually leaves it in the bank; in some parts of Scotland many small farmers have deposits of from £500 to £1,000 lying there at interest; they studiously conceal the fact, lest their landlords should hear of it, and raise their rent, and they submit to much inconvenience rather than withdraw any portion of it, once it is deposited. Their ruling object is security and not aggrandisement, and consequently if land were in the

market in lots to suit them, they would be almost certain to become purchasers of land. In forecasting the possibility of the rise of a peasant proprietary in this country, it is often forgotten that, whether land is a profitable investment for the farmer or not, the class of farmers from whom such a proprietary would be generated is less anxious for a profitable investment than for a safe one, and that to many of them, as of other classes, independence will always possess much more than a commercial value.

But, however this may be, land is distributed by holdings as well as by estates, and in connection with our present subject the distribution by holdings is perhaps the more important thing of the two. "The magic of property" is no exclusive prerogative of the soil; ownership in stock will carry the same political effects as ownership in anything else; and a satisfactory system of tenant right may yield all the social and economical advantages of a peasant proprietary. In fact, tenant right, so far as it goes, is proprietorship, and it has before now developed into proprietorship even in name. The old lamented yeomanry of England were, the great majority of them, copyholders, and a copyholder was simply a tenant-at-will whose tenant right was consolidated by custom into a perpetual and hereditary property; and if the soil of England will ever again become distributed among as numerous a body of owners as held it in former ages, it will most likely occur through a similar process of consolidation of tenant right. But as it is — and though this is a truism, it is often overlooked in discussions on the subject — the tenants are owners as well as the landlords; their interests enlist them on the side of stability; they have a stake in the defence of property; and even though the

prevailing tendency to the accumulation of estates continues unchecked, its peril to the State may be mitigated by the preservation and multiplication of small and comfortable holdings, which shall nourish a substantial and independent peasantry and supply a hope and ambition to the rural labourers. That is so far well. We know that it is an axiom with Continental socialists that a revolution has no chance of success, however well supported it may be by the artisans of the towns, if the peasantry are contented and take no part in it; and the most serious feature in more than one of the great countries of Europe at this moment is the miserable condition into which their agricultural labourers have been suffered to fall, and their practical exclusion from all opportunities of raising themselves out of it. The stability of Europe may be said to rest on the number of its comfortable peasantry; the dam of the Revolution is the small farm. This is not less true of England than of the Continent, for although the agricultural population is vastly outnumbered by the industrial in this country, that consideration really increases rather than diminishes the political value of sustaining and multiplying a contented tenantry.

Now, England is the classical country of the large farm as well as of the large estate. Its holdings have always been larger than those of other nations; they were so when half of them were owned by their occupiers, they are so still when they are rented from great landlords. The large farms have grown larger; a holding of 200 acres was counted a very large farm in the time of the Commonwealth; it would be considered a very moderate one in most English counties now. But yet the small farm has not gone the way of the small estate. The effects of consolidation have

been balanced to such a degree by a simultaneous extension of the area of cultivation that the number of holdings in England is probably more considerable than it ever was before. If we may trust Gregory King's estimate, there were, 200 years ago, 310,000 occupiers of holdings in England, 160,000 owners, and 150,000 tenants; in 1880 there were, exclusive of allotments, which are now numerous, 295,313 holdings of 50 acres and under, and 414,804 holdings altogether. Moreover, the future of the small farm is much more hopeful than the future of the small estate or the small factory. All admit the small holding to be preferable to the large for dairy farming and market gardening; and dairy farms and market gardens are two classes of holdings that must continue to multiply with the growth of the great towns. But even with respect to corn crops, it is now coming to be well understood that the existing conditions of high farming would be better satisfied by a smaller size of holding than has been in most favor with agricultural reformers hitherto; because then, and then only, can the farmer be expected to bestow upon every rood of his ground that generous expenditure of capital, and that sedulous and minute care, which are now necessary to make his business profitable. Without entering on the disputed question of the comparative productiveness of large and small farms, it ought to be remembered, in the first place, that the economical advantage of the large farm — the reason why the large farmer has been able to offer a higher rent than the smaller — is not so much because he produces more, as because he can afford to produce less; and, in the next place, that the small farmer has heretofore wrought, not only with worse appliances than the large — which perhaps he must always do — but also with

less knowledge of the theory of his art, and worse conditions of tenure — in both of which respects we may look for improvement in the immediate future. Even as it is, we find small farmers equalling the highest production of the country. In the evidence before the Duke of Richmond's Commission, there is a case of a farmer of three acres producing forty-five bushels per acre, or about twice the average of the season in those bad years that impoverished the larger farmers. The same body of evidence seems to prove that the small farmer has more staying power — a better capacity of weathering an agricultural crisis — than the large; for he has much less frequently petitioned for a reduction of rent — an advantage which landlords may be expected not to overlook. He enjoys, too, a monopoly of the superior efficiency of interested labour, and as the personal efficiency of the labourer — his skill, his knowledge, his watchfulness, his care — are becoming not less, but more important with the growth of scientific farming, whether in corn raising or cattle rearing, the small farm system will probably continue to hold, if not to enlarge, its place in modern agriculture; and if it is able to do so, it will constitute one of the best buttresses against the social revolution.

It remains to mark the spread of socialism in the various countries of Europe and America. Socialism being now, as we have seen, social democracy, we should expect to find it most widely and most acutely developed in those countries where, 1st, the social condition of the lower classes is most precarious, or, in other words, where property and comfort are ill distributed; 2nd, where political democracy is already a matter of popular agitation; and, 3rd, where previous

revolutions have left behind them an unquiet and revolutionary spirit — a "valetudinary habit," as Burke calls it, "of making the extreme medicine of the State its daily bread." That is very much what we do find. All these conditions are present in Germany — the country in which socialism has made the most remarkable and rapid advance. Dr. Engel, head of the Statistical Bureau of Prussia states that in 1875 six million persons, representing, with their families, more than half the population of that State, had an income less than £21 a-year each; and only 140,000 persons had incomes above £150. The number of landed proprietors is indeed comparatively large. In 1861, there were more than two millions of them out of a population of 23,000,000; and in a country where half the people are engaged in agriculture this would at first sight seem to offer some assurance of general comfort. But then the estates of most of them are much too small to keep them in regular employment or to furnish them with adequate maintenance. More than a million hold estates of less than three acres each, and averaging little over an acre, and the soil is poor. The consequence is that the small proprietor is almost always over head and ears in debt. His property can hardly be called his own, and he pays to the usurer a much larger sum annually as interest than he could rent the same land for in the open market. More than half of these small estates lie in the Rhine provinces alone, and the distressed condition of the peasantry there has been quite lately brought again before the attention of the legislature. But while thus in the west the agricultural population suffers seriously from the excessive subdivision of landed property, they are straitened in the eastern and northern provinces by their exclusion

from it. Prince Bismarck, speaking of the spread of socialism in a purely agricultural district like Lauenburg, which had excited surprise, said that this would not seem remarkable to any one who reflected that, from the land legislation in that part of the country, the labourers could never hope to acquire the smallest spot of ground as their own possession, and were kept in a state of dependence on the gentry and the peasant proprietors. Half the land of Prussia is held by 31,000 persons; and emigration, which used to come chiefly from the eastern provinces, where subdivision had produced a large class of indigent proprietors, proceeds now predominantly from the quarters where large estates abound. The diminution of emigration from the Rhine provinces is indeed one cause of the increase of distress among the peasant proprietary; but why emigration has ceased, when there seems more motive for it, is not so clear. As yet, however, socialism has taken comparatively slight hold of the rural population of Germany, because they are too scattered in most parts to combine; but there exists in that country, as in others, a general conviction that the condition of the agricultural labourers is really a graver social question than the condition of the other industrial classes, and must be faced in most countries before long. Socialism has naturally made most way among the factory operatives of Germany, who enjoy greatest facilities for combination and mutual fomentation, and who besides, while better off in respect to wages than various other sections of work-people, are yet the most improvident and discontented class in the community. Then, in considering the circumstances of the labouring classes in Germany, it must be remembered that, through customs and indirect taxation of different kinds, they pay

a larger share of the public burdens than they do in some countries, and that the obligation of military service is felt to be so great a hardship that more than a third of the extensive emigration which now takes place every year from the German empire is prompted by a desire to escape it. Before the establishment of the empire only about a tenth part of the emigrants left the country without an official permit, but the proportion has been rising every year since then, and sometimes comes to nearly a half.

Under these circumstances the strength of the Social Democratic party in that country is not surprising. In 1877 they returned twelve candidates to the Reichstag, and gave a total vote of 497,000; and if we make allowance for constituencies where no socialist candidate appeared, we may count their electoral strength in that year to have been over 600,000. This would amount to no more than a tenth of the entire working class constituency of Germany, but then it was already much more numerous than some revolutionary organisations, as, for example, the Jacobins of France, that have succeeded in seizing possession of power; and, besides, the most striking element in the case was the rate of increase which the figures showed as compared with those of previous elections. In 1871, the socialist vote was only 150,000, and in 1874 it was only 350,000. What alarmed the Government most was the decided progress made by the movement in Berlin, for the rise of a strong revolutionary agitation among a dense population at the very seat of authority could not be viewed without concern. In 1876 only 1,961 socialist votes were recorded in Berlin, and indeed before that time the movement had never found any favour among the working classes of that city, in spite of the most

zealous efforts of its ablest advocates. But in 1877 the vote in Berlin rose to 37,576, and in 1878 to 56,336. The Government accordingly took occasion, from the successive attempts made in the latter year upon the life of the Emperor by Hoedel and Nobiling, to institute, with consent of Parliament, a series of repressive measures against socialism generally, placing Berlin in a state of siege, stopping the newspapers of the party, forbidding its meetings, expatriating its leaders or placing them under surveillance, and so on. These measures were renewed in 1881, but they have not been successful in scotching the movement, which still makes its presence felt at opportunities, though we have now no means of ascertaining its actual strength.

The rapidity of the spread of socialism has been even greater in America than in Germany, and that is at first sight striking, as taking place in a free country where property is more than usually diffused. But the fact is easily explained. American socialism is a mere episode of German socialism; it is confined almost exclusively to the German population of the United States. A writer in the *North American Review* for 1879, in mentioning that at the previous election the increase in the socialist vote at New York and Chicago was higher than the increase that had taken place at Berlin, goes on to say that this was mainly to be ascribed to German immigration, that the leaders of the movement in the United States were without exception Germans, and that at the first National Convention of Socialists at Philadelphia, in July 1876, three-fourths of those present were Germans.

Socialism was imported into Austria very early from Prussia, and at first spread faster there than in the latter country. Austria is mainly an agricultural state,

and the circumstances of the peasantry and agricultural labourers have long occasioned more or less acute discontent. Greater part of the land is held in very large estates by the clergy and nobility, and the evils of the old feudal *régime* are only now being gradually removed. There are 1,700,000 peasant proprietors in Cisleithania alone, but then their properties are seriously encumbered by the debt of their redemption from feudal servitudes, and by the severity of the public taxation. The land tax amounts to twenty-six per cent. of the proprietor's income, and the indirect taxes on articles of consumption are numerous and burdensome. But three-fourths of the rural population are farm-servants or day labourers, and are worse off even than the same class elsewhere. A socialist organisation, with numerous branches, was soon formed in Austria, a few newspapers were established, mass-meetings were held, and in December 1869 a mob of 100,000 men presented themselves at the door of the Reichsrath on the first day of the session, and sent a deputation to Count Taaffe demanding full liberty of meeting, associating, and printing. At this the authorities took alarm, and repressive measures were immediately adopted, which have remained in force ever since. Socialism is therefore comparatively little heard of in Austria, but this result is due less to the policy of repression than to other circumstances. In the first place, the eternal struggle of nationalities, which is at once the plague and the salvation of that singularly-compounded empire, has cast every other agitation into the shade. The heterogeneous character of the monarchy saves it from the developed virulence of socialist democracy, as it saves it from various other perils. And, in the next place, the socialists of Austria chose from the first from

conviction a moderate and opportunist policy, and have always been less revolutionary than the socialists of other countries. They were expressly instructed by Dr. von Schweitzer and Liebknecht, the leaders of the Social Democrats of Germany, to give a general adherence to the party of the Liberal *bourgeoisie*, and to vote for the candidates of that party at the elections, on the ground that before anything further could be thought of in Austria, the priestly and feudal aristocracy must first of all be overturned, and that it was therefore the present duty of the socialists to strengthen the hands of those who were pursuing that end. The manner in which the social question is crossed by the nationality question in Austria is shown in the formation of a new party in 1871, called the Federalistic Working Men's Party. The object of this party is to promote in every way the general interests of the labouring classes, and at the same time to contend for the federalistic solution of the nationality question, which would give equal rights to every nationality, and combine them all in one State by a loose federal union. The Liberals were Centralists, and were mostly Germans; the Federalists were Conservatives, Clericals, Slavs, and Poles; so that here we find the nationalist leanings of a body of working men drawing them into an alliance with the Conservatives, in spite of a general sympathy which they expressed with the aims of socialism. This sympathy was only general, however, for they disapproved of immediate abolition of private property and inheritance, and they disapproved of the internationality of the International. The unions of free peasants which have sprung up in recent years in various provinces of Austria are independent of socialism, and will not hear of the social democracy of the labourers. Their great

aim is to procure a reduction in the taxes paid by the peasantry, but then they add to their programme the principle of State-help to labour, the abolition of all feudal privileges and all rights of birth, gratuitous education, and cessation of the policy of contracting national debt, and they speak vaguely about instituting a peasant State, and requiring every minister and responsible official to serve an apprenticeship to peasant labour as a qualification for office, in order that he may understand the necessities and capacities of the peasantry. This idea of the peasant State is analogous to the idea of the labour State of the socialist democrats; but of course this is agreement which is really conflict. It is like the harmony between the French king and his rival: "I and my brother Charles are wonderfully at one; we both seek the same thing — Milan." The class interest of the landed peasant is contrary to the class interest of the working man, and would be invaded by social democracy. The peasantry are simply fighting for their own hand, and as their votes are courted by both political parties they will probably be able to secure some mitigation of their grievances. Distress is certainly serious among them when, as happened three years ago, in a parish of 135 houses as many as 35 executions were made in one day for failure to pay taxes, and in another of 250 houses as many as 72; but on the whole there seems to be little of that hopeless indigence which appears among the peasant proprietary in countries where the practice of unrestricted or compulsory subdivision of holdings exists, or has recently existed, to any considerable extent.

France finds in her peasant proprietors her best protection against the socialism towards which she is driven by the revolutionary tradition of her towns, by

the amplitude of the functions already discharged by her Government, and by the inflated claims and improvident habits of a large proportion of the labouring class in cities, popularly known as "les Sublimes." A brochure, which attracted considerable attention some years ago, called "Le Sublime," states that only forty per cent. of the working men of Paris are out of debt, and Mr. Malet says that they are so dissipated that none of them have grandchildren or grandfathers. The providence, industry, and comfort of the rural population of France have been long and justly held up to our admiration by economists. The vast majority of them are proprietors, most of whom cultivate their own land, and cultivate it with skill and profit. According to M. de Lavergne they are not so well fed, so well clad, or so well lodged as the English farm labourers, but living in a different climate they have fewer wants, and they are undoubtedly more contented. Among a class like this, whose days are spent in frugal comfort and fruitful industry, and are brightened by hope and confidence in the future, socialism, of course, finds no open door. On the contrary, every man of them feels he has something to lose and nothing to gain by social revolution; and as they constitute much the most numerous class in the community, their worldly contentment is the strongest bulwark of the existing order of things. The impression of their substantial independence is so marked that even the Frenchmen who were members of the International Working Men's Association, departing from the principles of that society, always stood up for the maintenance of the peasant proprietary, as a necessary counterpoise to the power of the Government.

It is difficult to estimate the degree in which socialism

prevails among the industrial classes of France. M. G. de Molinari said in 1869 that out of every ten working men in that country who had any interest beyond eating and drinking, nine were socialists, but as far as can be judged that seems to be no longer so. On the other hand, M. Thiers was certainly mistaken when he declared in his last manifesto that socialism was extinct in France. Congresses of working men are still periodically held in the socialist interest, which, however, are remarkable for the divisions of opinion and sect which they represent; and congresses of working men, equally well attended, are also convened, at which anarchy and utopias of all kinds are stoutly condemned, and the hopes of the labouring classes are directed to the gradual development of co-operative production and other remedial agencies of a moderate character. The trades' unions of France hold as much aloof from socialist principles and organisations as those of this country. In 1880 the general committee of the trades' unions of Paris issued an address, in which, while maintaining that the working class ought to enjoy a more preponderant political and social rôle than they at present have, they declare at the same time that the working class can never expect to gain this rôle except by proceeding in a practical and gradual fashion, and they recommend in the meantime, the advocacy of a ten hours' day of labour, full freedom of meeting and association, the giving of government contracts to working men's co-operative associations, and a national superannuation fund for "veterans of industry." Socialism has at present its chief home in France among the Communards — the remnant of the party of the Revolutionary Commune of 1871. At the time of the insurrection the majority of the Revolutionary committee were not

socialists, they were merely Jacobins, and they seem to have looked upon their socialist brethren, whom they always spoke of as "the economists," as somewhat unpractical persons, who were for embarrassing the action of to-day by the speculations of to-morrow, but in July, 1874, thirty-three leading military or administrative officers of the Commune, belonging mostly to the Jacobin side of the house, issued a manifesto from London, where they resided as refugees, in which they pronounced for socialism completely, and described the Commune as but "the militant form of the social revolution." And after the amnesty of 1880 there was a considerable flicker of socialist agitation, and a numerous issue of socialist journals. This agitation has gone on increasing in activity, both public and secret, since that time; and in the present state of the country nihilism — or, as it is now generally called there and elsewhere, anarchism — is a disturbing force of by no means an unimportant character. It ought to be added that even the more moderate sections of the working class, who disclaim all sympathy with the socialist programme, still always hold out to the front the ideal of "a veritable democracy of labour," as the final though gradual goal of the State.

Belgium is exposed to the influence of every agitation that troubles France, and its circumstances are in many ways very favourable for the development of socialism, its population being dense, its labouring class numerous, and their wages low. There was at one time, accordingly, a considerable body of socialists in Belgium. The International had eight federations of associations there, and it established several journals, one of which still survives. After the downfall of the International, the Belgian socialists sought to reconstitute themselves

on a national basis, and they are divided, as, indeed, all socialists now are, into two factions, the politicians, who are for gaining power by the elections, and the political abstainers, who eschew politics and political agencies altogether, and believe in nothing but violence and destruction. The party is not now strong in Belgium, and has made no way in recent years. M. de Laveleye attributes this result — no doubt rightly — to the effect of free institutions. Socialism has been left by the Government to stand or fall on its merits before public opinion. It has been allowed to hold meetings and even œcumenical congresses in the capital of the country, to publish and advocate its views freely from the platform and the press; and the longer they have been discussed, the feebler they have become. Then a good deal has been done in Belgium to develop various means of improving the labourer's lot, and especially to encourage habits of saving, on the part of the men, and of fair and kindly treatment on the part of the masters. The patriarchal relationship between employers and employed has always been a favourite ideal with the Catholic Church, and is supported in Belgium by a strong organisation of Catholic Working Men's Clubs, which were formed into one body in 1867, which were united with the Catholic Working Men's Clubs of Germany in 1869, and with those of France in 1870, and which now constitute with these the International Catholic Working Men's Association.

Holland, Switzerland, and, indeed, our own country, exhibit other instances of the effect of free institutions in disarming socialism of its danger, or even giving immunity from its visitation altogether. In Holland wealth is very unequally divided, wages are comparatively low, and indirect taxation falls very heavily on

the working class. But the people are phlegmatic, domestic, religious, and contrive on small means to maintain a general appearance of comfort and decency. The International, however, found many adherents in that country. In 1869 it had a branch in almost every town of Holland, and, after the downfall of the Paris Commune, it began so active an agitation that the *bourgeoisie* took alarm, and the government imposed some restrictions on the socialist press. The Amsterdam Lithographers went so far in 1872 as to decline taking any part in celebrating the three hundredth anniversary of the independence of their country, which occurred in that year, declaring that national festivals were contrary to the purposes of their association. Wages were very generally raised soon after; the co-operative movement was actively promoted under the lead of orthodox theologians; and the more pressing demands of the workmen being tolerably satisfied, the interest in socialism began to decline, and though there still exists a sprinkling of socialists in Holland, who keep up two newspapers, they are seldom heard of.

Switzerland has for a century swarmed with conspirators of all hues and nations, but the Swiss themselves have been steel against revolution. The International held congresses in Geneva, as it did at the Hague and Brussels, but it counted almost no native of the country among its members. The General Congress of Working Men's Clubs of German Switzerland in 1874 had not a word to say about nationalising land and productive instruments, but only of factory legislation and State aid to technical and general education. Mr. Bonar, in his report to the Foreign Office in 1870 on the condition of the industrial classes of Switzerland, ascribes their contentment partly to the working of

democratic institutions, and partly to the prevalence of benevolent and charitable associations. "In enumerating," he says, "the favourable circumstances in which the Swiss working man is placed, prominence must be given to the immense extension of the principle of democracy, which, whatever may be its defects and dangers from a political point of view, when pushed to extremes, serves in Switzerland in its economical effects to advance the cause of the operative by removing the barriers dividing class from class, and to establish among all grades the bonds of mutual sympathy and goodwill; further strengthened by a widely-spread network of associations organised with the object of securing the common interests and welfare of the people." Masters and workmen are socially more equal than in most European countries; they sit side by side at the board of the Communal Council, they belong to the same choral societies, they refresh themselves at the same cafés. In most cantons, too, operatives are either owners of, or hold from the communes, small pieces of land which they cultivate in their leisure hours, and which thus serve them when work gets slack or fails altogether. The favourable rural economy of the country is well known; its peasant proprietors rival those of France. The Swiss societies of beneficence are remarkable, and almost suggest the hope that the voluntary socialism of a more enlarged and widely organised system of charity may be found to furnish a substantial solution of the social question. Every canton of Switzerland has its society of public utility, whose aims take an extensive range; it gives the start to projects of improvement of every description, infant schools, schools of design, savings' banks, schemes for the poor, the sick, the dumb, singing classes, halls for

Sunday recreation, popular lectures, workmen's houses, protection of animals, even industrial undertakings which promise to be ultimately beneficial, though they may not pay at first. The society of Basle has 900 members and a capital of £6,000, and the Swiss Society of Public Utility is an organisation for the whole Republic, which holds an annual congress at Zürich, and general meetings in the different cantons by turns. These meetings pass off with every mark of enthusiasm, and gather together men of all religious and political opinions in a common concern for the progress and prosperity of the masses. One of the institutions which these societies have largely promoted is what they call a hall of industry, or a bazaar, where loans may be received by workmen on the security of their wages, or of goods they may deposit. A labourer who has made any article which he cannot get immediately sold, may deposit it at one of these bazaars, and obtain an advance equal to a fixed proportion of its value, and if the article is sold at the bazaar, the proceeds are accounted for to the depositor, less the sum advanced and a small charge for expenses. These institutions, Mr. Bonar says, have had excellent effects, though he admits that the facilities of borrowing have led the working men in some places into debt, but they are at any rate a vast improvement on the pawnbroking system in vogue elsewhere. The condition of Switzerland shows us clearly enough that democracy under a *régime* of freedom lends no ear to socialism, but sets its face in entirely different directions.

The countries where, next to Germany, socialism has made most progress are Russia, Italy, and Spain, the three most revolutionary countries in Europe, and it has assumed in all three the extremer form of nihilism

or anarchism. I shall treat of Russia more fully in a separate chapter. In Spain the International possessed an extensive organisation, which in 1873 comprised 674 branch associations, planted over the whole length and breadth of the land, from industrial centres like Barcelona to remote rural districts like the island of Majorca. It had a total membership of more than 300,000. M. de Laveleye was present at some of the meetings of these associations in 1869, and says: — "They were usually held in churches withdrawn from worship. From the elevation of the pulpit the orators attacked every thing that used to be exalted there, God, religion, the priests, the rich. The discourses were white-hot, but the audience remained calm. Many women were seated on the ground working, nursing their infants, and listening with attention as to a sermon. It was the very image of '93." He adds that their journals write with unparalleled violence, especially against religion and the church. The welcome which the International has received in Spain is easily explained by the democratic agitation with which the country has been so long fermenting. So far as can be ascertained, the economic position of the labouring class in Spain is by no means bad, and would, under better government, be really good. Two-thirds of the population are engaged in agriculture, and it is among the agricultural population that socialism has spread most widely. Their condition varies very much. In the southern provinces the cereal plains and also the lower pasturages are generally possessed by large proprietors, who work them by farmers on the *metayer* principle, with the help of bands of migratory labourers in harvest time; but in the mountainous parts of these provinces the estates belong for the most part to the communes. They are usually

large, and as every member of the commune has an undivided right of using them, he is able to obtain from them the main part of his living without rent. Many of the inhabitants of such districts engage in the carrying trade, to which they conjoin a little cattle-dealing as opportunities offer; and as they are sober and industrious they are usually comparatively well off. In the northern provinces the situation is in some respects better. Land is much subdivided, and though the condition of the labouring class is not as a rule unembarrassed, that result is due more to their own improvidence and indolence than to anything else. A man of frugal and industrious habits can always rise without much difficulty from the position of day labourer to that of *metayer* tenant, and from tenant to proprietor, and some of the small proprietors are able to amass a considerable competency. Besides, even the improvident are saved from the worst by the communal organisation. They have always a right of pasturage on the commons, and a right to wood for fire, house and furniture, and they get their children's education and medical attendance in sickness gratuitously on condition of giving six days' labour at the roads of the commune. The most active and saving part of the population, north and south, is the class of migratory workmen, who stay at home only during seed time and harvest, and go for the rest of the year to work in Castile, Andalusia, or Portugal, as masons or carpenters, or waiters, and always come back with a store of money. Sometimes they remain abroad for a year or two, and sometimes they go to Cuba or Mexico for twenty years, and return to settle on a property of their own in their native village. This class forms the *personnel* of the small property in Spain, and they give by their pres-

ence a healthy stimulus to the neighbourhoods they reside in. The small property is in Spain, as elsewhere, too often turned from a blessing to a curse by its subdivision, on the death of the proprietor, among the members of his family, who in Spain are usually numerous, though it is interesting to learn that in some of the Pyrenean valleys it has been preserved for five hundred years by the habit of integral transmission to the oldest child — son or daughter — coupled with the habit of voluntary celibacy on the part of many of the other children. The economical situation of Spain, then, is not free from defects, but there always exists a wide margin of hope in a country where, as Frere said, "God Almighty has so much of the land in his own holding," and its economical situation would not of itself be likely to precipitate social revolution.

The socialism of Spain is only a modification of the movement of revolutionary democracy which has stirred the country continuously for many years. The habits and feelings of the Spaniards are in some respects unusually democratic; nowhere is the sentiment of human dignity or of mutual equality more prevalent and universally recognised. The communal organisation of the country is democratic; every inhabitant of the commune who is able to read and write has a voice in its management; and the working of the communal system gives more popular satisfaction than any other institution in the land. The pernicious despotism of the central government was therefore the most strongly detested because of its contrast to the beneficent democracy of the local boards, and this contrast led in Spain, exactly as it did in Russia, to the adoption by the revolutionary party of the federal republic as their ideal. They contend for the independence not merely

of provinces or even of communes, but of the smallest townships and villages. Castelar declared the federal republic to be the most perfect form of State, though he held its immediate introduction to be impracticable; and the revolution of 1873, in which the International played an active part, was excited for the purpose of introducing it. The Federal Republicans are indeed not all socialists; many of them are for making the agricultural labourers peasant proprietors, and even for dividing the communal property among them; but in a country where communal property already exists to so large an extent, the idea of making all property communal always lies very near the hand of the democratic reformer.

From Spain socialism passed into Portugal, but it works very quietly there. Its adherents formed an organisation in 1872, they hold congresses, they publish newspapers, they start candidates, and they actively promote their views in every legitimate way. Their programme is "anarchism," like that of their Spanish allies, but unlike anarchists anywhere else, they will have no resort to violence. M. de Laveleye explains this by stating that they are naturally "less violent than the Spaniards, that the economical situation of the country is better, and liberty, being very great, has prevented the explosion of popular fury elsewhere exasperated by repression."

Socialism was introduced into Italy by Bakunin about 1868, and spread rapidly everywhere. He founded many lodges of the International, which have survived the extinction of the parent society and still bear its name, and they have not ceased to increase in membership. They have large numbers of female members, who are especially extreme in their views, and violent

as public agitators against the State and the Church and the family. Liberty of the press being unrestricted in Italy, socialist journals are frequently started, but most of them die after a brief duration from want of funds. The people are too poor to subscribe to them, and the party too poor to subsidise them. There is still one, however, in most of the chief towns, and they are all distinguished by the violence of their spirit. The development of socialism in Italy is no matter of surprise. Though there is no great industry in the country, the whole population seems a proletariate. There is a distressed nobility, a distressed peasantry, a distressed working class, a distressed body of university men. Mr. Gallenga says that for six months of the year Italy is a national workshop; everybody is out of employment and has to get work from the State; and he states as the reason for this, that the employing class wants enterprise and ability, and are apt to look to the government for any profitable undertakings. The government, however, are no better financiers than the rest, and the state of public finances is one of the chief evils of the country. Taxation, too, is heavy, and yet property and life are not secure. "The peasants," says M. de Laveleye, "are reduced to extreme misery by rent and taxation, both alike excessive. Wages are completely inadequate. Agricultural labourers live huddled in *bourgades*, and obtain only intermittent employment. There is thus a rural proletariate more wretched than the industrial. Excluded from property by *latifundia*, it becomes the enemy of a social order that crushes it." The situation is scarcely better in parts of the country which are free from *latifundia*. In Sicily most of the agricultural population live on farms owned by themselves, but then these

farms are too small to support them adequately, and their occupiers scorn the idea of working for hire. There are as many nobles in Sicily as in England, and Mr. Dawes (from whose report on Sicily to the Foreign Office in 1872 I draw these particulars) states that 25 per cent. of the lower orders are what he terms drones, idlers who are maintained by their wives and children. In Italy there is little working-class opinion distinct from the agricultural. There are few factories, and the artisans who work in towns have the habit of living in their native villages near by, and going and coming every day to their work. Two-thirds of the persons engaged in manufactures do so, or at least go to their rural homes from Saturday till Monday. Their habits and ways of thinking are those of agriculturists, and the social question of Italy is substantially the agricultural labourer's question. The students at the Universities, too, are everywhere leavened with socialism. The advanced men among them seem to have ceased to cry for a republic, and to place their hope now in socialism. They have no desire to overturn a king who is as patriotic as the best president, and they count the form of government of minor importance as compared with the reconstitution of property. Bakunin thought Italy the most revolutionary country of Europe except Spain, because of its exceptionally numerous body of enthusiastic young men without career or prospects; and certainly revolutionary elements abound in the peninsula, but as M. de Laveleye shrewdly remarks, a revolution is perhaps next to impossible for want of a revolutionary metropolis. "The malaria," he says, "which makes Rome uninhabitable for part of the year will long preserve her from the danger of becoming the seat of a new commune."

Of the three Scandinavian countries Denmark alone has given any response to the socialist agitation. In Sweden and Norway there exists no class of labourers without property. There are few great manufacturers, and only fifteen per cent. of the people live in towns. The rest are spread sparsely over the rural districts on farms belonging to themselves, and in the absence of roads are obliged to make at home many of the ordinary articles of consumption. What with the produce of their own small properties and their own general handiness, they are unusually independent and comfortable. M. de Laveleye considers them the happiest people in Europe. Attempts were made by agents of the International in 1873 to effect a footing for its doctrines in both these countries, but it is not surprising that these attempts signally failed. The circumstances of Denmark are different. The operatives of the towns are badly off. Mr. Strachey tells us in his report to the Foreign Office in 1870 that every fourth inhabitant of Copenhagen was in receipt of parochial relief in 1867, and he says that while the Danish operatives are sober and well educated, they fail in industry and thrift. "No fact in my report," he states, "is more certain than that the Dane has yet to learn the meaning of the word *work;* of entireness and thoroughness he has seldom any adequate notion. This is why the Swedish artisan can so often take the bread from his mouth." In the rural districts, too, the economical situation, though in some respects highly favourable, is attended by a shadow. The land is, indeed, widely diffused. There are in all 280,000 families in the rural districts of Denmark, and of these 170,000 occupy independent freeholds, 30,000 farm hired land, and only 26,000 are agricultural labourers, pure and simple. Seven-eighths

of the whole country are held by peasant proprietors, and as a rule no class in Europe has improved more during the last half century than the Danish peasant or Bonde. Mr. Strachey says, "The Danish landlord was till recent times the scourge of the peasantry. Under his paternal care the Danish Bonde was a mere hewer of wood and drawer of water; his lot was no better than that of the most miserable ryot of Bengal. The Bonde is now the freest, the most politically wise, the best educated of European yeomen." But there is another side to the picture. In Denmark, as in other places where the small property abounds, the property is often too small for the proprietor's necessities, and there thus arises a kind of proprietor-proletariate, unwilling to part with their land and unable to extract a living out of it. This class, along with the rural labourers who have no property, constitute a sort of fourth estate in the country, and there as elsewhere their condition is preparing a serious social question for the future. Then, among the influences favourable to the acceptance of socialism in Denmark, must be counted the fact that one of the two great political parties of the country is democratic. Curiously enough, that party consists of the peasantry, and the Conservatives of Denmark are the commercial classes of the towns, with the artisans in their wake, their Conservatism, however, being substantially identical with the Liberalism of the same classes in other countries. This democratic party seeks to make everything in the State conduce to the interests of the peasantry, and keeps alive in the country the idea that the State exists by the will of the people, and for their good alone.

The International was introduced into this exclusively Protestant country by two militant Roman Cath-

olics — Pio, a retired military officer, who came to Denmark as religious tutor to a baroness who had joined the church of Rome, and Geleff, who wrote for an Ultramontane journal. They pursued their new mission with great zeal and success. They opened branches of the association in most of the towns; they held open air meetings, to one of which, at Copenhagen in 1874, they drew more than 15,000 labourers, all belonging to the International; but in the same year they absconded to America with the whole funds of the association. Their place at the head of the movement was taken by an authoress, Jacquette Lilyenkrantz, and, as in other countries, women are among its most active propagandists. It is advocated by several journals.

England is the only great country where socialism has at present neither organ nor organisation that reaches the public eye or ear. Detached social democratic clubs exist here and there, and socialistic ideas are ventilated in various radical associations. The nationalisation of the land is a common topic of speculative discussion, is included in the programme of more than one political society recently formed, and has been prominently brought before the public by a section of the Irish agitators. But I see no sufficient reason for believing that socialism has secured any serious foothold in England. We are sometimes told that it has done so. The *Times* opened the year 1882 with an article of an alarmist nature, warning us that the working classes were becoming rapidly socialistic in sentiment, and that some untoward complication might any day precipitate a convulsion. The tinder was there, said the *Times*, and so were the sparks. But the only English journal known to me, which at that time advocated revolutionary socialism of the International type, has since

died for want of subscribers; and if we may judge, from some of its last utterances, it found, among its friends, no real unity of conviction or decision of purpose. The tinder was hard to reach, and what was of it was stiff to take fire. Mr. Fawcett expressed a few years ago a somewhat similar opinion to this of the *Times*, and he gave several reasons for doing so. First, the labouring classes were every day getting more discontented with their present condition; then, they were every year making larger and larger claims for assistance of various kinds from public money, for emigration, for work to unemployed at good wages, for securing comfortable houses and wholesome food at reasonable rates; then, there was more danger of such demands being acceded to in England than elsewhere, on account of the system of Government by party, and the temptation of bidding for popular support, and, furthermore, even responsible ministers belonging to the party least likely to sympathise with socialism, such as Sir John Pakington, had already told the working classes that Parliament ought to provide them with good houses and good food. Now, of course, the working classes are undeniably discontented with their present condition, and, as Mr. Fawcett is ready to admit, they are justifiably so. No thoughtful person of any class can be contented or can avoid grave misgivings and apprehensions when he reflects that in the wealthiest nation in the whole world, almost every twentieth inhabitant is a pauper; that according to poor-law reports, one-fifth of the community is insufficiently clad; that according to medical reports to the Privy Council, the agricultural labourers and large classes of working people in towns are too poorly fed to save them from what are known as starvation diseases; that the great proportion of our population lead a life

of monotonous and incessant toil, with no prospect in old age, but penury and parochial support; and that one-third, if not indeed one-half, of the families of the country, are huddled, six in a room, in a way quite incompatible with the elementary claims of decency, health or morality. But the English working class show no signs of any disposition to despair of successfully effecting their amelioration under the general conditions of the existing industrial economy, and they manifest a decided aversion and distrust towards sweeping and untried solutions. England is the despair of continental socialists. Every requisite of revolution is there, and yet the people will not rise. The yeomanry are gone. The land has come into the hands of a few. Industry is carried on by great centralised capital. The labourers are thronged in large towns. "The English," says Eugene Dupont, a leading member of the International, "possess all the materials necessary for the social revolution, but they lack the generalising spirit and the revolutionary passion." Mr. Fawcett, in a later article, is more reassured, for he had witnessed in the interval the marvellous patience with which the working men of England bore very trying depressions of trade without, for a moment, raising any cry for assistance from the State. They are always discovering new proofs of their ability to carry out improvements in their lot by means at their own command, and perhaps to carry them out better in the end than could be done by the initiative of authority. Even in the matter of shorter hours, which is certainly one of their most legitimate aspirations, and which the late Mr. Greg feared would be one of the first subjects on which they would make violent demands on the action of the State after their general admission to the suffrage,

they have found that they can gain their ends as well without public aid; and as both the strain and the productiveness of industry differ considerably in different trades, it is certainly best that each trade should adjust the length of the day of labour to its own conditions.

Of course there will always be a danger under popular government of unsound demands being made on the State in behalf of the working class, just as they have been and are still made on behalf of other classes. These can only be dealt with in detail as they arise. State intervention is no longer superstitiously tabooed; and though the class legislation of the future will be working-class legislation, there is no reason for pronouncing any particular exercise of authority to be a piece of class legislation merely because it conduces specially to the benefit of the working class. The soundness of the measure must be settled at the time of its proposal by broad considerations of public utility. Perhaps the best safeguard against undue demands on the power of the State by the labouring classes is to enlarge their experience of how much they can do for themselves with the limited pecuniary ability they at present possess, if they receive sufficient encouragement to husband it and opportunity to invest it; and no one has done more for this end than Mr. Fawcett himself since he assumed the administration of the Post-office.

CHAPTER II.

FERDINAND LASSALLE.

GERMAN socialism is — it is hardly too much to say — the creation of Ferdinand Lassalle. Of course there were socialists in Germany before Lassalle. There are socialists everywhere. A certain rudimentary socialism is always in latent circulation in what may be called the "natural heart" of society. The secret clubs of China — "the fraternal leagues of heaven and earth" — who argue that the world is iniquitously arranged, that the rich are too rich, and the poor too poor, and that the wealth of the great has all accrued from the sweat of the masses, only give a formal expression to ideas that are probably never far from any one of us who have to work hard and earn little, and they only formulate them less systematically than Marx and his disciples do in their theories of the exploitation of labour by capital. Socialism is thus so much in the common air we all breathe, that there is force in the view that the thing to account for is not so much the presence of socialism at any time, as its absence. Accordingly it had frequently appeared in Germany under various forms before Lassalle. Fichte — to go no farther back — had taught it from the standpoint of the speculative philosopher and philanthropist. Schleiermacher, it may be remembered, was brought up in a religious com-

munity that practised it. Weitling, with some allies, preached it in a pithless and hazy way as a gospel to the poor, and finding little encouragement, went to America, to work it out experimentally there. The Young Hegelians made it part of their philosophic creed. The Silesian weavers, superseded by machinery, and perishing for want of work, raised it as a wild inarticulate cry for bread, and dignified it with the sanction of tears and blood. And Karl Marx and Friedrich Engels, in 1848, summoned the proletariate of the whole world to make it the aim and instrument of a universal revolution. But it was Lassalle who first really brought it from the clouds and made it a living historical force in the common politics of the day.

Professor Lorenz von Stein, of Vienna, — for the lexicons identify him with the Ludwig Stein who wrote an acute and thoughtful book on French Communism in 1842, — says in that work that Germany, unlike France, and particularly England, had nothing to fear from socialism, because Germany had no proletariate to speak of. Yet, in twenty years, we find Germany become suddenly the theatre of the most important and formidable embodiment of socialism that has anywhere appeared. Important and formidable, for two reasons: it founds its doctrines, as socialism has never done before, on a thoroughly scientific investigation of the facts, and criticism of the principles, of the present industrial *régime*, and it seeks to carry them out by means of a political organisation, growing singularly in strength, and based on the class interests of the great majority of the people.

There were, of course, predisposing conditions for this outburst. A German proletariate had come into being since Stein wrote, and though still much smaller,

in the aggregate, than the English, it was perhaps really at this time the more plethoric and distressed of the two. For the condition of the English working classes had been greatly relieved by emigration, by factory legislation, by trades' unions, whereas in some of these directions nothing at all, and in others only the faintest beginnings, had as yet been effected in Germany. Then, the stir of big political movement and anticipation was on men's minds. The future of the German nation, its unity, its freedom, its development, were practical questions of the hour. The nationality principle is essentially democratic, and the aspirations for German unity carried with them in every one of the States strong movements for the extension of popular freedom and power. This long spasmodic battle for liberty in Germany, which began with the century, and remains still unsettled, this long series of revolts and concessions and overridings, and hopes flattered and again deferred, this long uncertain babble of *Gross-Deutsch* and *Klein-Deutsch*, and Centralist and Federalist and Particularist, of "Gotha ideas" and "new eras" and "blood and iron," had prepared the public ear for bold political solutions, and has entered from the first as an active and not unimportant factor in the socialist agitation. Then, again, the general political habits and training of the people must be taken into account. Socialistic ideas would find a readier vogue in Germany than in this country, because the people are less rigidly practical, because they have been less used to the sifting exercise of free discussion, and because they have always seen the State doing a great deal for them which they could do better for themselves, and are consequently apt to visit the State with blame and claims for which it ought not to be made

responsible. Then the decline of religious belief in Germany, which the church herself did much to produce when she was rationalistic, without being able to undo it since she has become orthodox, must certainly have impaired the patience with which the poor endured the miseries of their lot, when they still entertained the hope of exchanging it in a few short years for a happier and an everlasting one hereafter.

All these circumstances undoubtedly favoured the success of the socialistic agitation at the period it started, but, when everything is said, it is still doubtful whether German socialism would ever have come into being but for Lassalle. Its fermenting principle has been less want than positive ideas. This is shown by the fact that it was at first received among the German working classes with an apathy that almost disheartened Lassalle; and that it is now zealously propagated by them as a cause, as an evangel, even after they have emigrated to America, where their circumstances are comparatively comfortable. The ideas it contains Lassalle found for the most part ready to his hand. The germs of them may be discovered in the writings of Proudhon, in the projects of Louis Blanc. Some of them he acknowledges he owes to Rodbertus, others to Karl Marx, but it was in passing through his mind they first acquired the stamp and ring that made them current coin. Contentions about the priority of publishing this bit or that bit of an idea, especially if the idea be false, need not concern us; and indeed Lassalle makes no claim to originality in the economical field. He was not so much an inventive as a critical thinker, and a critical thinker of almost the first rank, with a dialectic power, and a clear vivid exposition that have seldom been excelled. Any originality that is claimed for him lies in the region

of interpretation of previous thought, and that in the departments of metaphysics and jurisprudence, not of economics.

The peculiarity of his mind was that it hungered with almost equal intensity for profound study and for exciting action, and that he had the gifts as well as the impulses for both. As he said of Heraclitus the Dark, whom he spent some of his best years in expounding, "there was storm in his nature." Heine, who knew and loved him well as a young man in Paris, and indeed found his society so delightful during his last years of haggard suffering, that he said, "No one has ever done so much for me, and when I receive letters from you, courage rises in me, and I feel better," — Heine characterizes him very truly in a letter to Varnhagen von Ense. He says he was struck with astonishment at the combination of qualities Lassalle displayed — the union of so much intellectual power, deep learning, rich exposition on the one hand, with so much energy of will and capacity for action on the other. With all this admiration, however, he seems unable to regard him without misgiving, for his audacious confidence, checked by no thought of renunciation or tremor of modesty, amazed him as much as his ability. In this respect he says Lassalle is a genuine son of the modern time, to which Varnhagen and himself had acted in a way as the midwives, but on which they could only look like the hen that hatched duck's eggs and shuddered to see how her brood took to the water and swam about delighted. Heine here puts his finger on the secret of his young friend's failure. Lassalle would have been a great man if he had more of the ordinary restraining perceptions, but he had neither fear nor awe, nor even — in spite of his vein of satire — a wholesome sense of the ridiculous,

— in this last respect resembling, if we believe Carlyle, all Jews. Chivalrous, susceptible, with a genuine feeling for the poor man's case, and a genuine enthusiasm for social reform, a warm friend, a vindictive enemy, full of ambition both of the nobler and the more vulgar type, beset with an importunate vanity and given to primitive lusts, generous qualities and churlish throve and strove in him side by side, and governed or misgoverned a will to which opposition was almost a native and necessary element, and which yet — or perhaps rather, therefore — brooked no check. "Ferdinand Lassalle, thinker and fighter," is the simple epitaph Professor Boeckh put on his tomb. Thinking and fighting were the craving of his nature; thinking and fighting were the warp and woof of his actual career, mingled indeed with threads of more spurious fibre. The philosophical thinker and the political agitator are parts rarely combined in one person, but to these Lassalle added yet a third, which seems to agree with neither. He was a fashionable dandy, noted for his dress, for his dinners, and, it must be added, for his addiction to pleasure. A man apparently with little of that solidarity in his own being which he sought to introduce into society at large, and yet his public career possesses an undoubted unity. It is a mistake to represent him, as Mr. L. Montefiore has done, as a *savan* who turned politician as if by accident and against his will, for the stir of politics was as essential to him as the absorption of study. It is a greater mistake, though a more common one, to represent him as having become a revolutionary agitator because no other political career was open to him. He felt himself, it is said, like a Cæsar out of employ, disqualified for all legitimate politics by his previous life, and he determined, if he could not bend

the gods, that he would move Acheron. But so early as 1848, when yet but a lad of twenty-three, he was tried for sedition, and he then declared boldly in his defence that he was a socialist democrat, and that he was "revolutionary on principle." This he remained throughout. He laughs at those who cannot hear the word revolution without a shudder. "Revolution," he says, "means merely transformation, and is accomplished when an entirely new principle is — either with force or without it — put in the place of an existing state of things. Reform, on the other hand, is when the principle of the existing state of things is continued, and only developed to more logical or just consequences. The means do not signify. A reform may be carried out by bloodshed, and a revolution in the profoundest tranquillity. The Peasants' War was an attempt to introduce reform by arms, the invention of the spinning-jenny wrought a peaceful revolution." In this sense he was "revolutionary on principle." His thought was revolutionary, and it was the lessons he learnt as a philosopher that he applied and pleaded for as an agitator. His thinking and his fighting belonged together like powder and shot. His Hegelianism, which he adopted as a youth at college, is from first to last the continuous source both of impetus and direction over his public career. Young Germany was Hegelian and revolutionary at the time he went to the University (1842), and with the impressionable Lassalle, then a youth of seventeen, Hegelianism became a passion. He wrote articles on it in University magazines, preached it right and left in the cafés and *kneipen*, and resolved to make philosophy his profession and habilitate as a *privat docent* at Berlin. It was the first sovereign intellectual influence he came under, and it ruled his spirit to the end. In adopting it, his intellectual man-

hood may be said to have opened with a revolution, for his family were strict Jews, and he was brought up in their religion.

Lassalle was born in 1825 at Breslau, where his father was a wholesale dealer. He was educated at the Universities of Breslau and Berlin; and at the latter city saw, through the Mendelssohns, a good deal of the best literary society there, and made the acquaintance, among others, of Alexander von Humboldt, who used to call him a *Wunderkind*. On finishing his curriculum, he went for a time to Paris, and formed there a close friendship with H. Heine, who was an old acquaintance of his family. He meant to habilitate as a *privat docent* when he returned, but was diverted from his purpose by the task of redressing a woman's wrongs, into which he threw himself with the romantic enterprise of a knight-errant, and which he carried, through years of patient and zealous labour, to a successful issue. The Countess Hatzfeldt had been married when a girl of sixteen to a cousin of her own, one of the great nobles of Germany, but the marriage turned out most unhappily after a few years, and she was obliged, on account of the maltreatment she suffered, to live apart from her husband. His persecution followed her into her separation. He took child after child from her, and was now seeking to take the last she had left, her youngest son. He allowed her very scanty and irregular support, while he lavished his money on mistresses, and was, at this very moment, settling on one of them an annuity of £1000. This state of things had continued for twenty years, and the Countess's own relations had, for family reasons, always declined to take up her case. Lassalle, who had made her acquaintance in Berlin, was profoundly touched by her story, and felt that she was

suffering an intolerable wrong, which society permitted only because she was a woman, and her husband a lord. Though not a lawyer, he resolved to undertake her case, and after carrying the suit before thirty-six different courts, during a period of eight years, he at length procured for her a divorce in 1851, and a princely fortune in 1854, from which she rewarded him with a considerable annuity for his exertions. Lassalle's connection with this case not unnaturally gave rise to sinister construction. It was supposed he must have been in love with the Countess, and wanted to marry her, but this was disproved by the event. Darker insinuations were made, but had there been truth in them, it could not have escaped the spies the Count set to watch him, and the servants the Count bribed to inform on him. Chivalry, vanity, and temerity at the season of life when all three qualities are at their height, account sufficiently for his whole conduct, and I see no reason to doubt the explanation he himself gives of it. "Her family," he states, "were silent, but it is said when men keep silence the stones will speak. When every human right is violated, when even the voice of blood is mute, and helpless man is forsaken by his born protectors, there then rises with right man's first and last relation — man. You have all read with emotion the monstrous history of the unhappy Duchess of Praslin. Who is there among you that would not have gone to the death to defend her? Well, gentlemen, I said to myself, here is Praslin ten times over. What is the sharp death agony of an hour compared with the pangs of death protracted over twenty years? What are the wounds a knife inflicts compared with the slow murder dispensed with refined cruelty throughout a being's whole existence? What are they compared with the immense woe of this woman,

every right of whose life has been trampled under foot, day after day, for twenty years, and whom they have first tried to cover with contempt that they might then the more securely overwhelm her with punishment? . . . The difficulties, the sacrifices, the dangers did not deter me. I determined to meet false appearances with the truth, to meet rank with right, to meet the power of money with the power of mind. But if I had known what infamous calumnies I should have to encounter, how people turned the purest motives into their contraries, and what ready credence they gave to the most wretched lies — well, I hope my purpose would not have been changed, but it would have cost me a severe and bitter struggle." There seems almost something unmodern in the whole circumstances of this case, both in the oppression the victim endured, and in the manner of her rescue.

In the course of this suit occurred the robbery of Baroness von Meyerdorff's *cassette*, on which so much has been said. The Baroness was the person already mentioned on whom Count Hatzfeldt bestowed the annuity of £1000. The Countess, on hearing of this settlement, went straight to her husband, accompanied by a clergyman, and insisted upon him cancelling it, in justice to his youngest son, whom it would have impoverished. The Count at first promised to do so, but after her departure refused, and the Baroness set out for Aix to get her bond effectually secured. Lassalle suspected the object of her journey, and said to the Countess, in the presence of two young friends, Could we not obtain possession of this bond? No sooner said than done. The two young men started for Cologne, and one of them stole the Baroness's *cassette*, containing the veritable deed, in her hotel, and gave it to the

other. They and Lassalle were all three successively tried for their part in this crime. Oppenheim, who actually stole the *cassette*, was acquitted; Mendelssohn, who only received it, was sent to prison; and Lassalle, who certainly suggested the deed, was found guilty by the jury, but acquitted by the judges. Moral complicity of some sort was clear, but it did not amount to a legal crime. Our interest with the transaction is merely to discover the light it reflects on the character of the man. It was a rash, foolish, and lawless freak, but of course the ordinary motives of the robber were absent. The theft of the *cassette*, however, was a transaction which his enemies never suffered to be forgotten.

The theft of the *cassette* occurred in 1846; Lassalle was tried for it in 1848, and was no sooner released than he fell into the hands of justice on a much more serious charge. The dissolution of the first Prussian National Assembly in 1848, and the gift of a Constitution by direct royal decree, had excited bitter disappointment and opposition over the whole country. There was a general agitation for combining to stop supplies by refusing to pay taxes, in order thus "to meet force with force," and this agitation was particularly active in the Rhine provinces, where democratic views had found much favour. Lassalle even planned an insurrection and urged the citizens of Dusseldorf to armed resistance, but the Prussian Government promptly intervened, placed the town under a state of siege, and threw Lassalle into jail. He was tried in 1849 for treason, and acquitted by the jury, but was immediately afterwards brought before a correctional tribunal on the minor charge of resisting officers of the police, and sent to prison for six months. It was in his speech at the former of these trials that he declared himself a partisan

of the Socialist Democratic Republic, and claimed for every citizen the right and duty of active resistance to the State, when necessary. He had nothing but scorn to pour on the passive resistance policy of the Parliament. "Passive resistance is a contradiction in itself. It is like Lichtenberg's knife, without blade, and without handle, or like the fleece which one must wash without wetting. It is mere inward ill-will without the outward deed. The Crown confiscates the people's freedom; and the Prussian National Assembly, for the people's protection, declares ill-will; it would be unintelligible how the commonest logic should have allowed a legislative assembly to cover itself with such incomparable ridicule if it were not too intelligible." These are bold words. He felt himself standing on a principle and representing a cause; and so he went into prison, he tells us, with as light a heart as he would go to a ball; and when he heard that his sister had petitioned for his pardon, he wrote instantly and publicly disclaimed her letter.

All these trials had brought Lassalle into considerable notoriety, not unmingled with a due recognition of his undoubted verve, eloquence, and brilliancy. One effect of them was that he was forbidden to come to Berlin. This prohibition was founded, of course, on his seditious work at Dusseldorf, but is believed to have been instigated and kept up by the influence of the Hatzfeldt family. Lassalle felt it a sore privation, for his ambitions and hopes all centred in Berlin. After various ineffectual attempts to obtain permission, he arrived in the capital one day in 1857 disguised as a wagoner, and through the personal intercession of Alexander von Humboldt with the king, was at length suffered to remain. His "Heraclitus" had just appeared, and at

once secured him a position in literary circles. One of his first productions after his return to Berlin was a pamphlet on "The Italian War and the Mission of Prussia; a Voice from the Democracy," which shows that his political prosecutions had not soured him against Prussia. His argument is that freedom and democracy must in Germany, as in Italy, be first preceded by unity, and that the only power capable of giving unity to Germany was Prussia, as to Italy, Piedmont. He had more of the political mind than most revolutionaries and doctrinaires, and knew that the better might be made the enemy of the good, and that ideals could only be carried out gradually, and by temporary compromises. He was monarchical for the present, therefore, no doubt because he thought the monarchy to be for the time the best and shortest road to the democratic republic. His friend Rodbertus said there was an esoteric and an exoteric Lassalle. That may be said of all politicians. Compromise is of the essence of their work.

During the next few years Lassalle's literary activity was considerable. Besides a tragedy of no merit ("Franz von Sickingen," 1859) and various pamphlets or lectures on Fichte, on Lessing, on the Constitution, on Might and Right, he published in 1861 the most important work he has left us, his "System of Acquired Rights," and in 1862, a satirical commentary on Julian Schmidt's "History of German Literature," which excited much attention and amusement at the time. His "System of Acquired Rights" already contains the germs of his socialist views, and his pamphlet on the Constitution, which appeared when the "new era" ended and the era of Bismarck began, is written to disparage the Constitutionalism of modern Liberals. A

paper Constitution was a thing of no consequence; it was merely declarative, not creative; the thing of real account was the distribution of power as it existed in actual fact. The king and army were powers, the Court and nobility were powers, the populace was a power. Society was governed by the relative strength of these powers, as it existed in reality and not by the paper Constitution that merely chronicled it. Right is regarded as merely declarative of might. It is thus easy to see why he should have more sympathy with the policy of Bismarck than with the Liberals; and later in the same year he expounded his own political position very completely in a lecture he delivered to a Working Men's Society in Berlin, on "The Connection between the Present Epoch of History and the Idea of the Working Class." This lecture, to which I shall again revert, was an epoch in his own career. It led to a second Government prosecution, and a second imprisonment for political reasons; and it and the prosecution together led to his receiving an invitation to address a General Working Men's Congress at Leipzig, in February, 1863, to which he responded by a letter, sketching the political programme of the working class, which was certainly the first step in the socialist movement.

Attention was already being engaged on the work of industrial amelioration. The Progressist party, then including the present National Liberals, had, under the lead of Schultze Delitzsch, been promoting trades-unions and co-operation in an experimental way, and the working classes themselves were beginning to think of taking more concerted action for their own improvement. The Leipzig Congress was projected by a circle of working men, who considered the Schultze Delitzsch schemes inadequate to meet the case. This was exactly

Lassalle's view. He begins his letter by telling the working men that if all they wanted was to mitigate some of the positive evils of their lot, then the Schultze Delitzsch unions, savings banks, and sick funds were quite sufficient, and there was no need of thinking of anything more. But if their aim was to elevate the *normal* condition of their class, then more drastic remedies were requisite; and, in the first instance, a political agitation was indispensable. The Leipzig working men had discussed the question of their relation to politics at a previous congress a few months before, and had been divided between abstaining from politics altogether, and supporting the Progressist party. Lassalle disapproved of both these courses. They could never achieve the elevation they desired till they got universal suffrage, and they would never get universal suffrage by backing the Progressists who were opposed to it. He then explains to them how their normal condition is permanently depressed at present by the essential laws of the existing economical *régime*, especially by "the iron and cruel law of necessary wages." The only real cure was co-operative production, the substitution of associated labour for wage labour; for it was only so the operation of this tyrannical law of wages could be escaped. Now co-operative production, to be of any effective extent, must be introduced by State help and on State credit. The State gives advances to start railways, to develop agriculture, to promote manufactures, and nobody calls it socialism to do so. Why should people cry socialism if the State does a similar service to the great working class, who are, in fact, not a class but the State itself. Ninety-six and a half per cent. of the population are ground down by "the iron law," and cannot possibly lift themselves above it by their own

power. They must ask the State to help them, for they are themselves the State, and the help of the State is no more a superseding of their own self-help than reaching a man a ladder supersedes his own climbing. State help is but self-help's means. Now these State advances cannot be expected till the working class acquires political power by universal suffrage. Their first duty was therefore to organise themselves and agitate for universal suffrage; for universal suffrage was a question of the stomach.

The reception his letter met with at first was most discouraging. The newspapers with one consent condemned it, except a feudalist organ here and there who saw in it an instrument for damaging the Liberals. What seemed more ominous was the opposition of the working men themselves. The Leipzig Committee to whom it was addressed did indeed approve of it, and individual voices were raised in its favour elsewhere, but in Berlin the working men's clubs rejected it with decided warmth, and all over the country one working men's club after another declared against it. Leipzig was the only place in which his words seemed to find any echo, and he went there two months later and addressed a meeting at which only 7 out of 1,300 voted against him. With this encouragement he resolved to go forward, and founded, on the 23rd of May, 1863, the General Working Men's Association for the promotion of universal suffrage by peaceful agitation, after the model of the English Anti-Corn Law League. He immediately threw himself with unsparing energy into the development of this organisation. He passed from place to place, delivering speeches, establishing branches; he started newspapers, wrote pamphlets, and even larger works, published

tracts by Rodbertus, songs by Herwegh, romances by Von Schweitzer. But it was uphill work. South Germany was evidently dead to his ideas, and even among those who followed him in the North there were but few who really understood his doctrines or concurred in his methods. Some were for more "heroic" precedure, for raising fighting corps to free Poland, to free Schleswig-Holstein, to free oppressed nationalities anywhere. Many were perfectly impracticable persons who knew neither why exacty they had come together, nor where exactly they would like to go. There were constant quarrels and rivalries and jealousies among them, and he is said to have shown remarkable tact and patience, and a genuine governing faculty in dealing with them. Lassalle's hope was to obtain a membership of 100,000: with a smaller number nothing could be done, but with 100,000 the movement would be a power. In August, 1863, he had only enrolled 1,000 after three months' energetic labour, which, he said, "would have produced colossal results among a people like the French." He was intensely disappointed, and asked "when will this foolish people cast aside their lethargy?" but meanwhile repelled the suggestion of the secretary of the organisation that it should be at once dissolved. In August, 1864, another year's strenuous work had raised their numbers only to 4,610, and Lassalle was completely disenchanted, and wrote the Countess Hatzfeldt from Switzerland, shortly before his death, that he was continuing President of the Association much against his will, for he was now tired of politics, which was mere child's play if one had not power. He seems to have been convinced that the movement was a failure, and would never become a force in the State. Yet he was wrong; his words had

really taken fire among the working classes, and kindled a movement which, in its curious history, has shown the remarkable power of spreading faster with the checks it encountered. It seems to have profited, not merely from political measures of repression, but even from the internal dissensions and divisions of its own adherents, and some persons tell us that it was first stimulated into decided vigour by the fatal event which might have been expected to crush it — the sudden and tragical death of its chief.

In the end of July, 1864, Lassalle went to Switzerland ostensibly for the Righi whey cure, but really to make the acquaintance of Herr von Dönnigsen, Bavarian Envoy at Berne, whose daughter he had known in Berlin, and wished to obtain in marriage. It is one of the fatalities that entangled this man's life in strange contradictions, that exactly he, a *persona ingratissima* to Court circles, their very arch-enemy, as they believed, should have become bound by deep mutual attachment with the daughter of exactly a German diplomatist, the courtliest of the courtly, a Conservative seven times refined. They certainly cherished for one another a sincere, and latterly a passionate affection, and they seem to have been well fitted for each other. Helena von Dönnigsen was a bright, keen-witted, eccentric, adventurous young woman of twenty-five, and so like Lassalle, even in appearance, that when she was acting a man's part, years afterwards (in 1874), in some amateur performance in the theatre of Breslau, Lassalle's native town, many of the audience said, here was Lassalle again as he was when a boy. Learning from a common friend in Berlin that Lassalle was at the Righi, she made a visit to some friends in Berne, and soon after accompanied them on an excursion to that "popular" moun-

tain. She inquired for Lassalle at the hotel, and he joined the party to the summit. She knew her parents would be opposed to the match, but felt certain that her lover, with his gifts and charms, would be able to win them over, and it was accordingly agreed that when she returned to Geneva, Lassalle should go there too, and press his suit in person. The parents, however, were inexorable, and refused to see him; and the young lady in despair fled from her father's house to her lover's lodging, and urged him to elope with her. Lassalle calmly led her back to her father's roof, with a control which some writers think quite inexplicable in him, but which was probably due to his still believing that he would be able to talk the parents round if he got the chance, and to his desire to try constitutional means before resorting to revolutionary. Helena was locked in her room for days alone with her excited brain and panting heart. For days, father, mother, sister, brother, all came and laid before her what ruin she was bringing on the family for a mere selfish whim of her own. If she married a man so objectionable to people in power, her father would be obliged to resign his post, her brother could never look for one, and her sister, who had just been engaged to a count, would, of course, have to give up her engagement. She was in despair, but ultimately submitted passively to write to Lassalle, desiring him to consider the matter ended, and submitted equally passively (for she informs us herself) to accept the hand of Herr von Racowitza, a young Wallachian Boyar, whom she had indeed been previously engaged to, and sincerely liked and respected, without in the eminent sense loving him. Lassalle had meanwhile wrought himself into a fury of excitement. Enraged by her parents' opposition, enraged still more

by their refusal even to treat with him, enraged above all by his belief that their daughter was being illegitimately constrained, he wrote here, wrote there, tried to get the foreign minister at Munich to interfere, to get Bishop Ketteler to use his influence, promised even to turn Catholic to please the Dönnigsens, forgetting that they were Protestants. All in vain. At last two of his friends waited by appointment on Herr von Dönnigsen, and heard from Helena's own lips that she was to be married to the Boyar, and wished the subject no more mentioned. She now tells us that she did this in sheer weariness of mind, and with a confused hope that somehow or other the present storm would blow past, and she might have her Lassalle after all. Lassalle, however, was overcome with chagrin, and though he always held that a democrat should not fight duels, and had got Robespierre's stick, which he usually carried, as a present for having declined one, he now sent a challenge both to the father and the bridegroom. The latter accepted. The duel was fought. Lassalle was fatally wounded, and died two days after, on the 31st August, 1864, at the age of 39. Helena married Herr Racowitza shortly afterwards, but he was already seized with consumption, and she says she found great comfort, after the tumult and excitement of the Lassalle episode, in nursing him during the few months he lived after their marriage.

The body was sent back to Germany, after funeral orations from revolutionists of all countries and colours, and the Countess Hatzfeldt had made arrangements for similar funeral celebrations at every halting place along the route to Berlin, where she meant it to be buried, but at Cologne it was intercepted by the police on behalf of the Lassalle family, and carried quietly to

Breslau, where, after life's fitful fever, he was laid silently with his fathers in the Jewish burying-ground of his native place. Fate, however, had not even yet done with him. It followed him beyond the tomb to throw one more element of the bizarre into his strangely compounded history. Lest the death of the leader should prove fatal to the cause, the Committee of the General Working Men's Association, determined to turn it, if possible, into a source of strength, as B. Becker, his successor in the president's chair, informs us, "by carrying it into the domain of faith." Lassalle was not dead but only translated to a higher and surer leadership. A Lassalle *cultus* was instituted, and Becker says that many a German working man believed that he died for them, and that he was yet to come again to save them. This singular apotheosis, which is neither creditable to the honesty of the leaders of the Socialist movement, nor to the intelligence of its rank and file, was kept up by periodical celebrations among those of the German socialists who are generally known as the orthodox Lassalleans, down, at least, to the time of the Anti-Socialist Law of 1878.

Lassalle's doctrines are mainly contained in his lecture on "The Present Age and the Idea of the Working Class," which he delivered in 1862, and published in 1863, under the title of the "Working Men's Programme," and in his "Herr Bastiat-Schultze von Delitzsch, der Oekonomische Julian; oder Capital und Arbeit," Berlin, 1864.

In the "Working Men's Programme," the question of the emancipation of the working class is approached and contemplated from the stand-point of the Hegelian philosophy of history. There are, it declares, three successive stages of evolution in modern history. First, the

period before 1789, the feudal period, when all public power was vested in, exercised by, and employed for the benefit of, the landed class. It was a period of privileges and exemptions, which were enjoyed by the landed interests exclusively, and there prevailed a strong social contempt for all labour and employment not connected with the land. Second, the period 1789–1848, the *bourgeois* period, in which personal estate received equal rights and recognition with real, but in which political power was still based on property qualifications, and legislation was governed by the interests of the *bourgeoisie*. Third, the period since 1848, the age of the working class, which is, however, only yet struggling to the birth and to legal recognition. The characteristic of this new period is, that it will for the first time give labour its rights, and that it will be dominated by the ideas, aspirations, and interests of the great labouring class. Their time has already come, and the *bourgeois* age is already past in fact, though it still lingers in law. It is always so. The feudal period had in reality come to an end before the Revolution. A revolution is always declarative and never creative. It takes place first in the heart of society, and is only sealed and ratified by the outbreak. "It is impossible to make a revolution, it is possible only to give external legal sanction and effect to a revolution already contained in the actual circumstances of society. . . . To seek to make a revolution is the folly of immature men who have no consideration for the laws of history; and for the same reason it is immature and puerile to try to stem a revolution that has already completed itself in the interior of society. If a revolution exists in fact, it cannot possibly be prevented from ultimately existing in law." It is idle, too, to reproach those who desire to effect this

transition with being revolutionary. They are merely midwives who assist in bringing to the birth a future with which society is already pregnant. Now, it is this midwife service that Lassalle believes the working class at present requires. He says of the fourth estate what Sieyès said of the third, What is the fourth estate? Nothing? What ought the fourth estate to be? Every thing. And it ought to be so in law, because it is so already in fact. The *bourgeoisie* in overthrowing the privileges of the feudal class, had almost immediately become a privileged class itself. At so early a period of the revolution as the 3rd of September, 1791, a distinction was introduced between active and passive citizens. The active citizen was the citizen who paid direct taxes, and had, therefore, a right to vote, the passive citizen was he who paid no direct taxes, and had no right to vote. The effect of this distinction was to exclude the whole labouring classes from the franchise; and under the July Monarchy, while the real nation consisted of some thirty millions, the legal nation (*pays légal*), the people legally possessed of political rights, amounted to no more than two hundred thousand, whom the Government found it only too easy to manage and corrupt. The revolution of 1848 was simply a revolt against this injustice. It was a revolt of the fourth estate against the privileges of the third, as the first revolution was a revolt of the third against the privileges of the other two. Nor were the privileges in which the *bourgeoisie* had contrived to infeft themselves confined to political rights alone; they included also fiscal exemptions. According to the latest statistical returns, it appeared that five-sixths of the revenue of Prussia came from indirect taxation, and indirect taxes were always taken disproportionately out of the pockets

of the working class. A man might be twenty times richer than another, but he did not therefore consume twenty times the amount of bread, salt, or beer. Taxation ought to be in ratio of means, and indirect taxation — so much favoured by the *bourgeoisie* — was simply an expedient for saving the rich at the expense of the poor.

Now, the revolution of 1848 was a fight for the emancipation of the working class from this unequal distribution of political rights and burdens. The working class was really not a class at all, but was the nation; and the aim of the State should be their amelioration. "What is the State?" asks Lassalle. "You are the State," he replies. "You are ninety-six per cent. of the population. All political power ought to be of you, and through you, and for you; and your good and amelioration ought to be the aim of the State. It ought to be so, because your good is not a class interest, but is the national interest. The fourth estate differs from the feudal interest, and differs from the *bourgeoisie*, not merely in that it is not a privileged class, but in that it cannot possibly become one. It cannot degenerate, as the *bourgeoisie* had done, into a privileged and exclusive caste; because, consisting as it does of the great body of the people, its class interest and the common good are identical, or at least harmonious. Your affair is the affair of mankind; your personal interest moves and beats with the pulse of history, with the living principle of moral development."

Such then is the idea of the working class, which is, or is destined to be, the ruling principle of society in the present era of the world. Its supremacy will have important consequences, both ethical and political. Ethically, the working class is less selfish than the classes above it, simply because it has no exclusive

privileges to maintain. The necessity of maintaining privileges always develops an assertion of personal interest in exact proportion to the amount of privilege to be defended, and that is why the selfishness of a class constantly exceeds the individual selfishness of the members that compose it. Now under the happier *régime* of the idea of labour, there would be no exclusive interests or privileges, and therefore less selfishness. Adam would delve, and Eve would spin, and consciously or unconsciously, each would work more for the whole, and the whole would work more for each. Politically, too, the change would be remarkable and beneficial. The working class has a quite different idea of the State and its aim from the *bourgeoisie*. The latter see no other use in the State but to protect personal freedom and property. The State is a mere night-watchman, and, if there were no thieves and robbers, would be a superfluity; its occupation would be gone. Its whole duty is exhausted when it guarantees to every individual the unimpeded exercise of his activity as far as consistent with the like right of his neighbours. Even from its own point of view this *bourgeois* theory of the State fails to effect its purpose. Instead of securing equality of freedom, it only secures equality of right to freedom. If all men were equal in fact, this might answer well enough, but since they are not, the result is simply to place the weak at the mercy of the powerful. Now the working class have an entirely different view of the State's mission from this. They say the protection of an equality of right to freedom is an insufficient aim for the State in a morally ordered community. It ought to be supplemented by the securing of solidarity of interests and community and reciprocity of development. History all along is an incessant struggle with Nature,

a victory over misery, ignorance, poverty, powerlessness — *i.e.*, over unfreedom, thraldom, restrictions of all kinds. The perpetual conquest over these restrictions is the development of freedom, is the growth of culture. Now this is never effected by each man for himself. It is the function of the State to do it. The State is the union of individuals into a moral whole which multiplies a millionfold the aggregate of the powers of each. The end and function of the State is not merely to guard freedom, but to develop it; to put the individuals who compose it in a position to attain and maintain such objects, such levels of existence, such stages of culture, power, and freedom, as they would have been incapable of reaching by their own individual efforts alone. The State is the great agency for guiding and training the human race to positive and progressive development; in other words, for bringing human destiny (*i.e.*, the culture of which man as man is susceptible) to real shape and form in actual existence. Not freedom, but development is now the keynote. The State must take a positive part, proportioned to its immense capacity, in the great work which, as he has said, constitutes history, and must forward man's progressive conquest over misery, ignorance, poverty, and restrictions of every sort. This is the purpose, the essence, the moral nature of the State, which she can never entirely abrogate, without ceasing to be, and which she has indeed always been obliged, by the very force of things, more or less to fulfil, often without her conscious consent, and sometimes in spite of the opposition of her leaders. In a word, the State must, by the union of all, help each to his full development. This was the earnest and noble idea of 1848. It is the idea of the new age, the age of labour, and it cannot

fail to have a most important and beneficial bearing on the course of politics and legislation whenever it is permitted to have free operation in that sphere by means of universal and direct suffrage.

This exposition of Lassalle's teaching in his "Working Men's Programme" already furnishes us with the transition to his economical views. Every age of the world has its own ruling idea. The idea of the working class is the ruling idea of the new epoch we have now entered on, and that idea implies that every man is entitled to a *menschenwürdiges Dasein*, to an existence worthy of his moral destiny, and that the State is bound to make this a governing consideration in its legislative and executive work. Man's destiny is to progressive civilisation, and a condition of society which makes progressive civilisation the exclusive property of the few, and practically debars the vast mass of the people from participation in it, stands in the present age self-condemned. It no longer corresponds to its own idea. Society has long since declared no man shall be enslaved; society has more recently declared no man shall be ignorant; society now declares no man shall be without property. He cannot be really free without property any more than he can be really free without knowledge. He has been released successively from a state of legal dependence and from a state of intellectual dependence; he must now be released from a state of economical dependence. This is his final emancipation, which is necessary to enable him to reap any fruits from the other two, and it cannot take place without a complete transformation of present industrial arrangements. It is a common mistake to say that socialists take their stand on equality. They really take their stand on freedom. They argue that the positive side of freedom is

development, and if every man has a right to freedom, then every man has a right to the possibility of development. From this right, however, they allege the existing industrial system absolutely excludes the great majority. The freeman cannot realize his freedom, the individual cannot realize his individuality, without a certain external economical basis of work and enjoyment, and the best way to furnish him with this is to clothe him in various ways with collective property.

Lassalle's argument, however, is still more specific than this. In the beginning of his "Herr Bastiat-Schultze," he quotes a passage from his previous work on "The System of Acquired Rights," which he informs us he had intended to expand into a systematic treatise on "The Principles of Scientific National Economy." This intention he was actually preparing to fulfil when the Leipzig invitation and letter diverted him at once into practical agitation. He regrets that circumstances had thus not permitted the practical agitation to be preceded by the theoretical codex which should be the basis for it, but adds that the substance of his theory is contained in this polemic against Schultze Delitzsch, though the form of its exposition is considerably modified by his plan of following the idea of Schultze's "Working Men's Catechism," and by his purpose of answering Schultze's misplaced taunt of "half knowledge" by trying to extinguish the economical pretensions of the latter as completely as he had done the literary pretensions of Julian Schmidt. "Every line I write," says Lassalle, with a characteristic finality of self-confidence, "I write armed with the whole culture of my century;" and at any rate Schultze Delitzsch was far his inferior in economical as in other knowledge. In the passage to which I have referred, Lassalle says, "The world is

now face to face with a new social question, the question whether, since there is no longer any property in the immediate use of another man, there should still exist property in his mediate exploitation — *i.e.*, whether the free realization and development of one's power and labour should be the exclusive private property of the owner of the instruments and advances necessary for labour — *i.e.*, of capital; and whether the employer as such, and apart from the remuneration of his own intellectual labour of management, should be permitted to have property in the value of other people's labour — *i.e.*, whether he ought to receive what is known as the premium or profit of capital, consisting of the difference between the selling price of the product and the sum of the wages and salaries of all kinds of labour, manual and mental, that have contributed to its production."

His standing-point here, again, as always, belongs to the philosophy of history — to the idea of historical evolution with which his Hegelianism had early penetrated him. The course of legal history has been one of gradual but steady contraction of the sphere of private property in the interests of personal freedom and development. The ancient system of slavery, under which the labourer was the absolute and complete property of his master, was followed by the feudal system of servitudes, under which he was still only partially proprietor of himself, but was bound by law to a particular lord by one or more of a most manifold series of specific services. These systems have been successively abolished. There is no longer property in man or in the use of man. No man can now be either inherited or sold in whole or in part. He is his own, and his power of labour is his own. But he is still far from being in full possession of himself or of his labour.

He cannot work without materials to work on and instruments to work with, and for these the modern labourer is more dependent than ever labourer was before on the private owners in whose hands they have accumulated. And the consequence is that under existing industrial arrangements the modern labourer has no more individual property in his labour than the ancient slave had. He is obliged to part with the whole value of his labour, and content himself with bare subsistence in return. It is in this sense that socialist writers maintain property to be theft — not that subjectively the proprietors are thieves, but that objectively, under the exigencies of a system of competition, they cannot help offering workmen, and workmen cannot help accepting, wages far under the true value of their labour. Labour is the source of all wealth, for the value of anything — that which makes it wealth — is, on the economists' own showing, only another name for the amount of labour put into the making of it; and labour is the only ground on which modern opponents of socialism, Thiers and Bastiat for example, think the right of individual property can be established. And yet on the methods of distribution of wealth that now exist, individual property is not founded on this its only justifiable basis, and the aim of socialism is to emancipate the system of distribution from the influence of certain unconscious forces which, as they allege, at present disturb it, and to bring back individual property for the first time to its natural and rightful foundation — labour. Their aim is not to abolish private property, but to purify it, by means of some systematic social regulation which shall give each man a share more conformable with his personal merit and contribution. Even if no question is raised about the

past, it is plain that labour is every day engaged in making more new property. Millions of labouring men are, day after day, converting their own brain, muscle, and sinew into useful commodities, into value, into wealth. Now, the problem of the age, according to Lassalle, is this, whether this unmade property of the future should not become genuine labour property, and its value remain greatly more than at present in the hands that actually produced it.

This, he holds, can only be done by a fundamental reconstruction of the present industrial system, and by new methods of determining the remuneration of the labouring class. For there is a profound contradiction in the present system. It is unprecedentedly communistic in production, and unprecedentedly individualistic in distribution. Now there ought to be as real a joint participation in the product, as there is already a joint participation in the work. Capital must become the servant of labour instead of its master, profits must disappear, industry must be conducted more on the mutual instead of the proprietary principle, and the instruments of production be taken out of private hands and turned into collective or even, it may be, national property. In the old epoch, before 1789, industrial society was governed by the principle of solidarity without freedom; in the period since 1789, by freedom without solidarity, which has been even worse; in the epoch now opening, the principle must be solidarity in freedom.

Partisans of the present system object to any social interference with the distribution of wealth, but they forget how much — how entirely — that distribution is even now effected by social methods. The present arrangement of property, says Lassalle, is, in fact,

nothing but an anarchic and unjust socialism. How do you define socialism? he asks. Socialism is a distribution of property by social channels. Now this is the condition of things that exists to-day. There exists, under the guise of individual production, a distribution of property by means of purely objective movements of society. For there is a certain natural solidarity in things as they are, only being under no rational control, it operates as a wild natural force, as a kind of fate destroying all rational freedom and all rational responsibility in economical affairs. In a sense, there never was more solidarity than there is now; there never was so much interdependence. Under the large system of production, masses of workmen are simply so many component parts of a single great machine driven by the judgment or recklessness of an individual capitalist. With modern facilities of intercommunication, too, the trade of the world is one and indivisible. A deficient cotton harvest in America carries distress into thousands of households in Lyons, in Elberfeld, in Manchester. A discovery of gold in Australia raises all prices in Europe. A simple telegram stating that rape prospects are good in Holland instantly deprives the oilworkers of Prussia of half their wages. So far from there being any truth in the contention of Schultze Delitzsch, that the existing system is the only sound one, because it is founded on the principle of making every man responsible for his own doings, the very opposite is the case. The present system makes every man responsible for what he does not do. In consequence of the unprecedented interconnection of modern industry, the sum of conditions needed to be known for its successful guidance have so immensely increased that rational calculation is scarcely possible, and men are enriched without any merit, and impover-

ished without any fault. According to Lassalle, in the absence as yet of an adequate system of commercial statistics, the number of known conditions is always much smaller than the number of unknown, and the consequence is, that trade is very much a game of chance. Everything in modern industrial economy is ruled by social connections, by favourable or unfavourable situations and opportunities. *Conjunctur* is its great Orphic chain. Chance is its Providence — Chance and his sole and equally blind counsellor, Speculation. Every age and condition of society, says Lassalle, tends to develop some phenomenon that more particularly expresses its type and spirit, and the purest type of capitalistic society is the financial speculator. Capital, he maintains, is a historical and not a logical category, and the capitalist is a modern product. He is the development, not of the ancient Crœsus or the mediæval lord, but of the usurer, who has taken their place, but was in their lifetime hardly a respectable person. Crœsus was a very rich man, but he was not a capitalist, for he could do anything with his wealth, except capitalise it. The idea of money making money and of capital being self-productive, which Lassalle takes to be the governing idea of the present order of things, was, he says, quite foreign to earlier periods. Industry is now entirely under the control of capitalists speculating for profit. No one now makes things first of all for his own use — as mythologising economists relate — and then exchanges what is over for the like redundant work of his neighbours. Men make everything first of all, and last of all, for other people's use, and they make it at the direction and expense of a capitalist who is speculating for money, and, in the absence of systematic statistics, is speculating in the dark. Chance and social

connections make him rich, chance and social connections bring him to ruin. Capital is not the result of saving, it is the result of *conjunctur;* and so are the vicissitudes and crises that have so immensely increased in modern times. What you have now, therefore, says Lassalle, is a system of socialism; wealth is at present distributed by social means and by nothing else, and all he contends for is, as he says, to substitute a regulated and rational socialism for this anarchic and natural socialism that now exists.

His charge against the present system, however, is more than that it is anarchic; he maintains it to be unjust — organically and hopelessly unjust. The labourer's back is the green table on which the whole game is played, and all losses are in the end sustained by him. A slightly unfavourable turn of things sends him at once into want, while even a considerably favourable one brings him no corresponding advantage, for according to all economists, wages are always the last thing to rise with a reviving trade. The present system is in fact incapable of doing the labourer justice, and would not suffer employers to do so even if they wished. Injustice is bred in its very bone and blood. In this contention Lassalle builds his whole argument on premises drawn from the accepted economical authorities. Socialist economy, he says, is nothing but a battle against Ricardo, whom he describes as the last and most representative development of *bourgeois* economy; and it fights the battle with Ricardo's own weapons, and on Ricardo's own ground. There are two principles in particular of which it makes much use, Ricardo's law of value and Ricardo's law of natural or necessary wages.

Ricardo's law of value is that the value of a com-

modity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production, and not on the greater or less compensation which is paid for that labour. Value is thus resolved into so much labour, or what is the same thing, so much time consumed in labour, mental and manual, upon the commodity. This reduction of value to quantity of time is reckoned by Lassalle the one great merit of Ricardo and the English economists. Ricardo, however, strictly limited his law to commodities that admitted of indefinite multiplication, the value of other commodities being, he held, regulated by their scarcity; and he confined it to the normal value of the commodities only, the fluctuations of their market-price depending on other considerations. But Lassalle seeks to make it cover these cases also by means of a distinction he draws between individual time of labour, and socially necessary time of labour. According to this distinction what constitutes the value of a product is not the time actually taken or required by the person who made it; for he may have been indolent or slow, or may not have used the means and appliances which the age he lived in afforded him. What constitutes value is the average time of labour socially necessary, the time required by labour of average efficiency using the methods the age supplies. If the commodity can be produced in an hour, an hour's work will be its value, though you have taken ten to produce it by slower methods. So far there is nothing very remarkable, but Lassalle goes on to argue that you may waste your time not merely by using methods that society has superseded, but by producing commodities that society no longer wants. You go on making shoe-buckles after they have gone out of fashion, and

you can get nothing for them. They have no value. And why? Because, while they indeed represent labour, they do not represent socially necessary labour. So again with over-production: you may produce a greater amount of a commodity than society requires at the time. The value of the commodity falls. Why? Because while it has cost as much actual labour as before, it has not cost so much socially necessary labour. In fact the labour it has taken has been socially unnecessary, for there was no demand for the product. On the other hand — and we are entitled to make this expansion of Lassalle's argument — take the case of under-production, of deficient supply. Prices rise. What is usually known as a scarcity value is conferred on commodities. But this scarcity value Lassalle converts into a labour value; the commodity is produced by the same individual labour, but the labour is more socially necessary. In plain English, there is more demand for the product.

Lassalle's distinction is thus an ingenious invention for expressing rarity value in terms of labour value. It has no theoretical importance, but is of some practical service in the socialistic argument. That argument is not that value is constituted by labour pure and simple, but by labour modified by certain general conditions of society; only it holds that these conditions — conditions of productivity, of rarity, of demand — have been created by nobody in particular, and that, therefore, nobody in particular should profit by them, and that so far as the problem of the distribution of value goes, the one factor in the constitution of value which needs to be taken into account in settling that problem, is labour. All value comes from labour, represents so much time of labour, is, in fact, so much "labour-jelly," so much preserved labour.

While one accepted economical law thus declares that all value is conferred by the labourer, and is simply his sweat, brain, and sinew incorporated in the product, another economical law declares that he gains no advantage from the productivity of his own work, and that whatever value he produces, he earns only the same wages — bare customary subsistence. In that lies the alleged injustice of the present system. Von Thuenen, the famous Feudalist landowner and economical experimentalist, said, many years ago, that when the modern working class once began to ask the question, What is natural wages? a revolution might arise which would reduce Europe to barbarism. This is the question Lassalle asked, and by which mainly he stirred up socialism. The effect of the previous argument was to raise the question, What is the labourer entitled to get? and to suggest the answer, he is entitled to get everything. The next question is, What, then, does the labourer actually get? and the answer is, that on the economists' own showing, he gets just enough to keep soul and body together, and on the present system can never get any more. Ricardo, in common with all orthodox economists, had taught that the value of labour, like the value of everything else, was determined by the cost of its production, and that the cost of the production of labour meant the cost of the labourer's subsistence according to the standard of living customary among his class at the time. Wages might rise for a season above this level, or fall for a season below it, but they always tended to return again to it, and would not permanently settle anywhere else. When they rose higher, the labouring class were encouraged by their increased prosperity to marry, and eventually their numbers were thus multiplied to such a degree that by

the force of ordinary competition the rate of wages was brought down again; when they fell lower, marriages diminished and mortality increased among the working class, and the result was such a reduction of their numbers as to raise the rate of wages again to its old level. This is the economical law of natural or necessary wages — "the iron and cruel law" which Lassalle declared absolutely precluded the wage-labourers — *i.e.*, 96 per cent. of the population — from all possibility of ever improving their condition or benefiting in the least from the growing productivity of their own work. This law converted industrial freedom into an aggravated slavery. The labourer was unmanned, taken out of a relationship which, with all its faults, was still a human and personal one, put under an impersonal and remorseless economical law, sent like a commodity to be bought in the cheapest market, and there dispossessed by main force of competition of the value of the property which his own hands had made. *Das Eigenthum ist Fremdthum geworden.*

It is no wonder that teaching like this should move the minds of working men to an intolerable sense of despair and wrong. Nor was there any possibility of hope except in a revolution. For the injustice complained of lay in the essence of the existing economical system, and could not be removed, except with the complete abolition of the system. The only solution of the question, therefore, was a socialistic reconstruction which should make the instruments of production collective property, and subordinate capital to labour, but such a solution would of course be the work of generations, and meanwhile, the easiest method of transition from the old order of things to the new, lay in establishing

productive associations of working men on State credit. These would form the living seed-corn of the new era. This was just Louis Blanc's scheme with two differences — viz., that the associations were to be formed gradually and that they were to be formed voluntarily. The State was not asked to introduce a new organisation of labour by force all at once, but merely to lend capital at interest to one sound and likely association after another, as they successively claimed its aid. This loan was not to be gratuitous, as the French socialists used to demand in 1848, and since there would be eventually only one association of the same trade in each town, and since, besides, they would also establish a system of mutual assurance against loss, trade by trade, the State, it was urged, would really incur no risk. Lassalle, speaking of State help, said he did not want a hand from the State, but only a little finger, and he actually sought, in the first instance at least, no more than Mr. Gladstone gives in the Irish Land Act. The scheme was mainly urged, of course, in the interests of a sounder distribution of wealth; but Lassalle contended that it would also increase production; and it is important to remember that he says it would not otherwise be economically justifiable, because "an increase of production is an indispensable condition of every improvement of our social state." This increase would be effected by a saving of cost, in abolishing local competition, doing away with middle-men and private capitalists, and adapting production better to needs. The business books of the association would form the basis of a sound and trustworthy system of commercial statistics, so much required for the purpose of avoiding over-production. The change would, he thought, also introduce favourable alterations in consumption, and in the direction of pro-

duction; inasmuch as the taste of the working class for the substantial and the beautiful, would more and more supplant the taste of the *bourgeoisie* for the cheap and nasty.

After the death of Lassalle, the movement he began departed somewhat from the lines on which he launched it. He was a national, not an international socialist. He held that every country should solve its own social question for itself, and that the working class movement was not, and should not be made, cosmopolitan. He was even, — as Prince Bismarck said in Parliament, when taxed with having personal relations with him,—patriotic. At least he was an intense believer in Prussia; less, however, because he was a Prussian than because Prussia was a strong State, and because he thought that strong States alone could do the world's work in Germany or elsewhere. By nationality in itself he set but little store; a nationality had a right to separate existence if it could assert it, but if it were weak and struggling, its only duty was to submit with thankfulness to annexation by a stronger power. He wished his followers, therefore, to keep aloof from the doings of other nations, and to concentrate their whole exertions upon victory at the elections in their own country and the gradual development of productive associations on national loans. This restriction of the range of the movement had from the first dissatisfied some of its adherents, especially a certain active section who hated Prussia as much as Lassalle believed in her, and after the influence of the International began to make itself felt upon the agitation in Germany, this difference of opinion gathered gradually to a head. In 1868 a motion was brought before the general meeting of the League in favour of establishing

relations with the International and accepting its programme. The chief promoters of this motion were the two present leaders of the Social Democratic party in the Reichstag, Liebknecht — an insurgent of 1848, a refugee in London till 1862, and thereafter a journalist in Germany — and Bebel, a cooper in Leipzig, and it was strongly opposed by the president of the League, Dr. von Schweitzer, an advocate in Frankfort, and a strong champion of Prussia, who was elected to the presidency in 1866, just at the time the extension of the suffrage gave a fresh impetus to the movement, and whose energy and gifts of management contributed greatly to the development of the organisation. The motion was carried by a substantial majority, but before next year Von Schweitzer had succeeded in turning the tables on his opponents, and at the general meeting in 1869, Liebknecht and Bebel were expelled from the League, as traitors to the labourers' cause. After their expulsion they called together in the same year a congress of working men at Eisenach, which was attended mainly by delegates from Austria and South Germany, and founded an independent organisation on the principles of the International and under the name of the Social Democratic Labour Party of Germany. The two organisations existed side by side till 1874, when a union was effected between them at a general meeting at Gotha, and they became henceforth the Socialist Labour Party. This was the burial of the national socialism of Lassalle, for though in deference to his followers, the new programme promised in the meantime to work within national limits, it expressly recognised that the labourers' movement was international, and that the great aim to be striven after was a state of society in which every man should be obliged to share in the general

labour according to his powers, and have a right to receive from the aggregate product of labour according to what was termed his rational requirements. Some "orthodox Lassalleans," as they called themselves, held aloof from this compromise, but they are too few to be of any importance.

Among the causes which brought the others to so much unanimity was undoubtedly the establishment of the German Empire in 1871, which was viewed with universal aversion by socialists of every shade. On the outbreak of the war, Schweitzer and the members of the original League gave their sympathies warmly to the arms of their country, and the Social Democratic party was nearly equally divided on the subject; but after the foundation of the French Republic, they all with one consent declared that the war ought now to cease, and the socialist deputies, no matter which organisation they belonged to, voted without exception against granting supplies for its continuance. They were likewise opposed to the recognition of the title of emperor and to the constitution of the empire, and indeed as republicans they could not be anything else. From a recollection mainly of these votes Prince Bismarck considers the movement to be unpatriotic and hostile to the empire, and accordingly suppressed its propaganda in 1878, when its growth seemed likely to prove a serious danger to an empire whose stability was still far from being assured by any experience of its advantages. The socialists retorted upon this policy at their congress at Wyden, Switzerland, in 1878, by striking out of their programme the limitation of proceeding by legal means, on the ground that the action of the government having made legal means impracticable, no resource was left but to meet force by force. They have consequently

thrown aside the last shred of the practical policy of Lassalle, and stand out now as a party of international revolution.

The movement could, however, hardly help becoming international; not, as some allege, because this is a peculiarity of revolutionary parties; on the contrary, other parties may also exhibit it. What, for example, was the Holy Alliance but an international league of the monarchical and aristocratic parties against the advance of popular rights? Nor is it a peculiarity of the present time only. No doubt the increased inter-communication and inter-dependence between countries now facilitate its development. There are no longer nations in Europe, said Heine, but only parties. But in reality it has always been nearly as much so as now. Any party founded on a definite general principle or interest may in any age become international, and even what may seem unpatriotic. The Protestants of France in the sixteenth century sought help from England, and the Jacobites of England in the eighteenth sought help from France; just as the German socialists of 1870 sided with the French after Sedan, and the French communists of 1871 preferred to see their country occupied by the Germans rather than governed by the "Versaillais." In all these cases the party principles were naturally international and the party bias overcame the patriotic.

Besides, the socialist is, almost by necessity of his position and principles, predisposed to discourage and condemn patriotism. Others indeed condemn it as well as he. Most of the great writers who revived German literature towards the beginning of this century — Lessing, Herder, Wieland, Goethe — have all disparaged it. They looked on it as a narrow and obsolete virtue, useful enough perhaps in rude times, but a hindrance to rational

progress now; the modern virtue was humanity, the idea of which had just freshly burst upon their age like a new power. This consideration may no doubt to some extent weigh with socialists also, for their whole thinking is leavened with the notion of humanity, but their most immediate objection to patriotism is one of a practical nature. Their complaint used always to be that the proletarian had no country, because he was excluded from political rights. He was not a citizen, and why should he have the feelings of one? But now he has got political rights, and they still complain. He is in the country, they say, but not yet of it. He is practically excluded from its civilisation, from all that makes the country worth living or fighting for. He has no country, for he is denied a man's share in the life that is going in any. Edmund Ludlow wrote over his door in exile —

> "Every land is my fatherland
> For all lands are my Father's."

The modern socialist says, No land is my fatherland, for in none am I a son. He believes himself to be equally neglected in all, and that is precisely the severest strain that can try the patriotic sentiment. The proletarian is taught that in every country he is a slave, and that patriotism and religion only reconcile him to remaining so.

CHAPTER III.

KARL MARX.

It is a curious and not unmeaning circumstance that the country where Karl Marx is least known, is that in which for the last thirty years he lived and worked. His word has gone into all the earth and evoked in some quarters echoes which governments will neither let live nor let die, but here, where it was pronounced, its sound has scarcely been heard. His principle book, "Das Kapital," is a criticism of the modern industrial system as explained by English economists and exemplified in English society. Though written in German it seldom cites a German authority, but it shows an unusual knowledge of the earlier English economical writers, it goes very fully into the circumstances of English labour, as described in Parliamentary blue books; it constantly draws its illustrations from English industrial life, and always even states its money allusions in terms of English coin (probably because no other currency is so well known to so many nations). Yet English is perhaps the only one of the greater languages of the civilised world in which this work has not been translated — a circumstance which is the more noteworthy, because it shows, that, however democratic socialism has spread in America, it has as yet taken no hold on the interest of the English-speaking population. Marx himself could have few more fervent desires than

to effect a footing for his doctrines among the working class of this country; for the great object to which he devoted his energies — with, I believe, a thoroughly disinterested, though mistaken zeal — for nearly forty years was the organisation of a consentaneous international movement among the proletariate of all civilised nations for an organic reconstruction of society; and he declares unreservedly that any proletariate movement in which England takes no part is "nothing better than a storm in a glass of water." For England is the classical land of the proletariate, where the monster was first bred, where it has consequently grown to greatest maturity, and where, if anywhere, it must first show its might. Yet the writings of Marx are hardly better known in this country than those of Confucius, and it is doubtful whether, outside of a few Radical clubs in London, the English proletariate so much as know his name. In Russia, on the other hand, where there is no modern system of production and no modern proletariate at all, his work has had a large sale, as many as 3,000 copies having been disposed of within a year after the translation appeared. That is to say, the book has had a striking success in the country to whose circumstances it applies least, and the coldest reception in the country whose circumstances it most directly deals with. The fortunes of this work seem thus, to some extent, to mock the theory on which it is founded; for if, as its author alleges, the course of industry is creating an intolerable economical situation, it is at least noteworthy that the society where that situation is admittedly most completely developed, and where, therefore, there ought to be the greatest call for socialism, should have made least response to it, although it happens at the same time to be the society where those

who are supposed to suffer from the situation possess the largest freedom to express their mind.

The reason of this is obvious; the most energetic element in contemporary socialism is political rather than economical. The movement is before all revolutionary, and finds its easiest points of contact in quarters where a revolutionary opposition already exists. In Russia, it is true, there is more than one party whose ways of thinking would prepare them to give the socialistic idea a hospitable welcome. There is the national party, who believe the Russian *mir* and *artel* are to supply the model for the social organisation of modern Europe, who are proud to think with Herzen that their despised peasant, disguised with dirt and muddled with brandy, has solved the social problem of the nineteenth century, and who would therefore give a ready ear to teaching which fed a hope so agreeable to their national vanity. But the party chiefly interested in socialism is the too well known party of disorder, who naturally entertain a fraternal sympathy with any sort of revolutionary agitation elsewhere. In England again, there is no democratic or revolutionary opposition, organised or speculative. The Irish disaffection is founded on race antipathy and not on political principle; it is neither democratic nor monarchial; it is only nationalist; and the anti-rent agitation was a socialistic insurrection with the socialism left out of it. It contained no thought of social liquidation, and built its whole claim on ancient customary right and not on modern abstractions. Apart from the Irish question, the course of politics in this country has long run very smoothly; none of the questions of the day have forced the fundamental principles of the existing system into popular debate; there has been no abstract philosophical discussion of them

of any deep-reaching kind; and the working classes are preoccupied with the development of trades-unions, of friendly societies, and of the great co-operative movement, from which, in spite of many discouragements, they not unwarrantably expect great results. Revolutionary socialism is therefore quite foreign to the present temper of the English mind; and if it ever acquires a footing here, it will not be from any change in the economical situation, but it will be from the growth of an energetic democratic agitation, excited either by the injudicious obstinacy of those in power, or by the direct teaching of influential thinkers. A democratic party may not be all socialists, but it will ever have a strong tendency to socialism, which a section of the party will always follow. For, whatever may be the case with democracy triumphant and settled, democracy militant, the democracy of an agitating party, is necessarily penetrated by an overmastering sense of the claims of numbers, and by a most dangerous depreciation of the rights of individuals, and of the value of individuality. Now this conception of the unlimited right of the greatest number convoys you to the gates of socialism of the contemporary type, and you cannot well get to those gates without its convoy.

The importance of this consideration will be apparent when we turn to Germany, the great home of contemporary socialism, because we find that the present movement really originated there as a direct development of theoretical democracy, and that its spread has been greatly promoted by the presence throughout the country of revolutionary elements bred in the long struggle for political emancipation. Of course, the economical conditions of such a movement existed. There was no doubt misery enough, and there were no doubt ine-

qualites enough of wealth in Germany, as there is misery enough, and as there are inequalities enough of wealth in most other places, to suggest the idea either to benevolent reformers or to less well-meaning demagogues, that some arrangement might be discovered, whereby the wealth that was now wasted by the rich, might be made to circulate so as to lessen the wretchedness of the poor. But as far as want went, the classes who felt most sorely pinched at the time were the professional classes, of whose straits Treitschke gives us an affecting picture, and the working classes in general were so insensible to their indigence that Lassalle said the first thing to be done was to teach them their misery. If we look to the spread of the movement, then next to the effective agitation of Lassalle, and to the impetus given by the concession of universal suffrage in 1866, which supplied an immediate practical work to concentrate the energies of the organisation upon, what most contributed to it was the presence of the survivors of the political movement of 1848, and the continued development of similar political elements from the operation of similar political causes. And if we go back to the earlier origin of the movement, to the time when its peculiar type of doctrine was first disseminated in Germany, its representatives then — some of whom are its chief leaders still — would have scorned the suggestion that the revolution they contemplated had its origin, as Napoleon said all revolutions had, in the belly. To their thinking a revolution was the work of time, aided by philosophy. It was a product, on the one hand, of the natural forces of historical evolution, and, on the other, of philosophy teaching the people to take a conscious share in its production. The present form of socialism appeared

first some forty years ago among the Young Hegelians as part of a very wide-reaching philosophy of life, and it was at once eagerly embraced by political exiles across the German border as their dream and hope for the future, even while, as they themselves believed, the very materials for making it a popular or triumphant movement had not as yet come into existence. They were told that by ordinary process of historical evolution the labouring and lower middle classes were being rapidly converted into one immense proletariate, whose development would inevitably bring in a reign of democracy with socialism, and they sat by the waters of London or Geneva and waited — not without freaks of impatient and delusive anticipation — for the birth of this great German proletariate which should break all bonds and effect the redemption of society. There are thus to be taken into account, in explaining German socialism, two special historical conditions which contributed to lend it its particular type, and to facilitate its subsequent spread. First, the remarkable course of philosophical speculation which the nation passed through in the earlier half of this century, and which spared nothing in heaven or earth from its most powerful crucible; and second, the long-standing struggle for political emancipation, which, according to Freiligrath's figure, kept Germany in a restless agitation, like Hamlet, haunted incessantly by the ghost of its freedom, and maddening itself fitfully to fruitless revenges. Now all this cannot be better illustrated than in connection with the career of Karl Marx, who was probably the first of the Young Hegelians to become a decided adherent of socialism, and who proclaimed then a socialism substantially identical with that which appears to-day in an ampler form in his work on Capital.

Born at Trèves in 1818, the son of a Christian Jew who had a high post in the Civil Service, Marx was sent to the University of Bonn, towards the end of the '30s, won a considerable reputation there in philosophy and jurisprudence, determined, like Lassalle, to devote himself to the academic profession, and seemed destined for an eminently successful career, in which his subsequent marriage with the sister of the Prussian Minister of State, Von Westphalen, would certainly have facilitated his advancement. But at the University he came under the spell of Hegel, and passed, step by step, with the Extreme Left of the Hegelian school, into the philosophical, religious, and political Radicalism which finally concentrated into the Humanism of Feuerbach. Just as he had finished his curriculum, the accession of Frederick William IV. in 1840 stirred a rustle of most misplaced expectation among the Liberals of Germany, who thought the day of freedom was at length to break, and who rose with generous eagerness to the tasks to which it was to summon them. Under the influence of these hopes and feelings, Marx abandoned the professorial for an editorial life, and committed himself at the very outset of his days to a political position which compromised him hopelessly with German governments, and forced him, step by step, into a long career of revolutionary agitation and organisation. He joined the staff of the *Rhenish Gazette*, which was founded at that time in Cologne by the leading Liberals of the Rhine country, including Camphausen and Hansemann, and which was the organ of the Young Hegelian, or Philosophical Radical party, and he made so great an impression by his bold and vigorous criticism of the proceedings of the Rhenish Landtag that he was appointed editor of the newspaper in 1842. In this post

he continued his attacks on the Government, and they were at once so effective and so carefully worded that a special censor was sent from Berlin to Cologne to take supervision of his articles, and when this agency proved ineffectual, the journal was suppressed by order of the Prussian Ministry in 1843. From Cologne Marx went to Paris to be joint editor of the *Deutsche Französische Jahrbücher* with Arnold Ruge, a leader of the Hegelian Extreme Left, who had been deprived of his professorship at the University of Halle by the Prussian Government, and whose magazine, the *Deutsche Jahrbücher*, published latterly at Leipzig to escape the Prussian authority, had just been suppressed by the Saxon. The *Deutsche Französische Jahrbücher* were published by the well-known Julius Froebel, who had some time before given up his professorship at Zurich to edit a democratic newspaper, and open a shop for the sale of democratic literature; who professed himself a communist in Switzerland, and had written some able works, with very radical and socialistic leanings, but who seems to have gone on a different tack at the time of the Lassallean movement, for he was — as Meding shows us in his "Memoiren zur Zeitgeschichte" — the prime promoter of the ill-fated Congress of Princes at Frankfort in 1865. The new magazine was intended to be a continuation of the suppressed *Deutsche Jahrbücher*, on a more extended plan, embracing French as well as German contributors, and supplying in some sort a means of uniting the Extreme Left of both nations; but no French contribution ever appeared in it, and it ceased altogether in a year's time, probably for commercial reasons, though there is no unlikelihood in the allegation sometimes made, that it was stopped in consequence of a difference between the editors as to the treatment of the question of communism.

The Young Hegelians had already begun to take the keenest interest in that question, but were, for a time, curiously perplexed as to the attitude they should assume towards it. They seem to have been fascinated and repelled by turns by the system, and to have been equally unable to cast it aside or to commit themselves fairly to it. Karl Grün, himself a Young Hegelian, says that at first they feared socialism, and points, for striking evidence of this, to the fact that the *Rhenish Gazette* bestowed an enthusiastic welcome on Stein's book on French communism, although that book condemned the system from a theologically orthodox and politically reactionary point of view. But he adds that the Young Hegelians contributed to the spread of socialism against their will, that it was through the interest they took in its speculations and experiments that socialism acquired credit and support in public opinion in Germany, and that the earliest traces of avowed socialism are to be found in the *Rhenish Gazette*. If we may judge by the extracts from some of Marx's articles in that journal which are given in Bruno Bauer's "Vollständige Geschichte der Parthei-Kämpfe in Deutschland während der Jähre 1842–46," we should say that Marx was even at this early period a decided socialist, for he often complains of the great wrong "the poor dumb millions" suffer in being excluded by their poverty from the possibility of a free development of their powers, "and from any participation in the fruits of civilisation," and maintains that the State had far other duty towards them than to come in contact with them only through the police. When Ruge visited Cabet in Paris he said that he and his friends (meaning, he explained, the philosophical and political opposition) stood so far aloof from the question of communism

that they had never yet so much as raised it, and that, while there were communists in Germany, there was no communistic party. This statement is probably equivalent to saying that he and his school took as yet a purely theoretical and platonic interest in socialism, and had not come to adopt it as part of their practical programme. Most of them were already communists by conviction, and the others felt their general philosophical and political principles forcing them towards communism, and the reason of their hesitation in accepting it is probably expressed by Ruge, when he says (in an article in Heinzen's "Die Opposition," p. 103), that the element of truth in communism was its sense of the necessity of political emancipation, but that there was a great danger of communists forgetting the political question in their zeal for the social. It was chiefly under the influence of the Humanism into which Feuerbach had transformed the Idealism of Hegel, that the Hegelian Left passed into communism. Humanist and communist became nearly convertible terms. Friedrich Engels mentions in his book on the condition of the English working classes, published in 1845, that all the German communists of that day were followers of Feuerbach, and most of the followers of Feuerbach in Germany (Ruge seems to have remained an exception) were communists. Stein attributed French socialism greatly to the prevailing sensualistic character of French philosophy, which conceived enjoyment to be man's only good, and never rose to what he calls the great German conception, the logical conception of the Ego, the idea of knowing for the sake of knowing. The inference this contrast suggests is that the metaphysics of Germany had been her protector, her national guard, against socialism, but, as we see, at the very time he was writ-

ing the guard was turning traitor, and a native socialism was springing up by natural generation out of the idealistic philosophy. The fact, however, rather confirms the force of Stein's remark, for the Hegelian idealism first bred the more sensualistic system of humanism, and then humanism bred socialism.

Hegel had transformed the transcendental world of current opinion, with its personal deity and personal immortality, into a world of reason; and Feuerbach went a step further, and abolished what he counted the transcendency of reason itself. Heaven and God, he entirely admitted, were nothing but subjective illusions, fantastic projections of man's own being and his own real world into external spheres. But mind, an abstract entity, and reason, a universal and single principle, were, in his opinion, illusions too. There was nothing real but man — the concrete flesh and blood man who thinks and feels. "God," says Feuerbach, speaking of his mental development, "was my first thought, Reason my second, Man my third and last." He passed, as Lange points out, through Comte's three epochs. Theology was swept away, and then metaphysics, and in its room came a positive and materialistic anthropology which declared that the senses were the sole sources of real knowledge, that the body was not only part of man's being, but its totality and essence, and in short that man is what he eats — *Der Mensch ist was er isst.* Man, therefore, had no other God before man, and the promotion of man's happiness and culture in this earthly life — which was his only life — was the sole natural object of his political or religious interest. This system was popularised by Feuerbach's brother Friedrich, in a little work called the "Religion of the Future," which enjoyed a high authority among the German commu-

nists, and formed a kind of lectionary they read and commented on at their stated meetings. The object of the new religion is thus described in it: — "Man alone is our God, our father, our judge, our redeemer, our true home, our law and rule, the alpha and omega of our political, moral, public, and domestic life and work. There is no salvation but by man." And the cardinal articles of the faith are that human nature is holy, that the impulse to pleasure is holy, that everything which gratifies it is holy, that every man is destined and entitled to be happy, and for the attainment of this end has the right to claim the greatest possible assistance from others, and the duty to afford the same to them in turn.

Now the tendency of this metaphysical and moral teaching was strongly democratic and socialistic. There was said to be in the existing political system a false transcendency identical with that of the current religious system. King and council hovered high and away above the real life of society in a world of their own, looking on political power as a kind of private property, and careless of mankind, from whom it sprang, to whom it belonged, and by whom and for whom it should be administered. "The princes are gods," says Feuerbach, "and they must share the same fate. The dissolution of theology into anthropology in the field of thought is the dissolution of monarchy into republic in the field of politics. Dualism, separation is the essence of theology; dualism, separation is the essence of monarchy. There we have the antithesis of God and world; here we have the antithesis of state and people." This dualism must be abolished. The state must be *humanized* — must be made an instrument in the hands of all for the welfare of all; and its inhabitants must be *politized,* for they,

all of them, constitute the *polis*. Man must no longer be a means, but must be everywhere and always an end. There was nobody above man; there was neither superhuman person, nor consecrated person; neither deity, nor divine right. And, on the other hand, as there is no person who in being or right is more than man, so there must be no person who is less. There must be no *unmenschen*, no slaves, no heretics, no outcasts, no outlaws, but every being who wears human flesh must be placed in the enjoyment of the full rights and privileges of man. The will of man be done, hallowed be his name.

These principles already bring us to the threshold of socialism, and now Feuerbach's peculiar ethical principle carries us into its courts. That principle has been well termed Tuism, to distinguish it from Egoism. The human unit is not the individual, but man in converse with man, the sensual Ego with the sensual Tu. The insolated man is incomplete, both as a moral and as a thinking being. "The nature of man is contained only in the community, in the unity of man with man. Isolation is finitude and limitation, community is freedom and infinity. Man by himself is but man; man with man, the unity of I and Thou, is God." Feuerbach personally never became a communist, for he says his principle was neither egoism nor communism, but the combination of both. They were equally true, for they were inseparable, and to condemn self-love would be, he declared, to condemn love to others at the same time, for love to others was nothing but a recognition that their self-love was justifiable. But it is easy to perceive the natural tendency of the teaching that the social man was the true human unit and essence, and was to the individual as a God. With most of his dis-

ciples Humanism meant making the individual disappear in the community, making egoism disappear in love, and making private property disappear in collective. Hess flatly declared that "the species was the end, and the individuals were only means." Ruge disputed this doctrine, and contended that the empirical individual was the true human unit and the true end, but even he said that socialism was the humanism of common life. Grün passes into socialism by simply applying to property Feuerbach's method of dealing with theology and monarchy. He argues that if the true essence of man is the social man, then, just as theology is anthropology, so is anthropology socialism, for property is at present entirely alienated, externalised from the social man. There is a false transcendency in it, like that of divinity and monarchy. "Deal, therefore," he says, "with the practical God, money, as Feuerbach dealt with the theoretical;" humanize it. Make property an inalienable possession of manhood, of every man as man. For property is a necessary material for his social activity, and therefore ought to belong as inalienably and essentially to him as everything which he otherwise possesses as means or materials of his activity in life; as inalienably, for example, as his body or his personal acquirements. If man is the social man, some social possession is then necessary to his manhood, and might be called an essential part of it; but existing property is something outside, as separate from him as heaven or the sovereign power. Grün accordingly says that Feuerbach's "Essence of Christianity" supplies the theoretical basis for Proudhon's social system, because the latter only applies to practical life the principles which the former applied to religion and metaphysics, but he admits that neither

Feuerbach nor Proudhon would acknowledge the connection.

We thus see how theoretical humanism — a philosophy and a religion — led easily over into the two important articles of practical humanism, a democratic transformation of the State and a communistic transformation of society. This was the ideal of the humanists, and it contains ample and wide-reaching positive features, but when it came to practical action they preferred for the present to take up an attitude of simple but implacable negation to the existing order of things. No doubt variety of opinion existed among them; but if they are to be judged by what seemed their dominant interest they were revolutionaries and nothing else. They repudiated with one consent the socialist utopias of France, and refrained on principle from committing themselves to, or even discussing, any positive scheme of reconstruction whatsoever. They held it premature to think of positive proposals, which would, moreover, be sure to sow divisions among themselves. Their first great business was not to build up but to destroy, and their work in the meantime was therefore to develop the revolutionary spirit to its utmost possible energy, by exciting hatred against all existing institutions; in short, to create an immense reservoir of revolutionary energy which might be turned to account when its opportunity arrived. Their position is singularly like the phase of Russian nihilism described by Baron Fircks, and presented to us in Turgenieff's novels. It is expressed very plainly by W. Marr, himself an active humanist, who carried Feuerbach's "Essence of Christianity" as his constant companion, and founded a secret society for promoting humanistic views. In his interesting book on Secret Societies in Switzerland,

he says, "The masses can only be gathered under the flag of negation. When you present detailed plans, you excite controversies and sow divisions; you repeat the mistake of the French socialists, who have scattered their redoubtable forces because they tried to carry formulated systems. We are content to lay down the foundation of the revolution. We shall have deserved well of it if we stir hatred and contempt against all existing institutions. We make war against all prevailing ideas, of religion, of the State, of country, of patriotism. The idea of God is the keystone of a perverted civilisation. It must be destroyed. The true root of liberty, of equality, of culture, is Atheism. Nothing must restrain the spontaneity of the human mind." All this work of annihilation could neither be done by reform, nor by conspiracy, but only by revolution, and "a revolution is never made, it makes itself." While the revolution was making, Marr founded an association in Switzerland, "Young Germany," which should prepare society for taking effective action when the hour came. There was a "Young Germany" in Switzerland when he arrived there, part of a federation of secret societies established by Mazzini in 1834, under the general name of "Young Europe," and comprising three series of societies: — "Young Italy," composed of Italians; "Young Poland," of Poles; and "Young Germany," of Germans. But this organisation was not at all to Marr's mind, because it concerned itself with nothing but politics, and because its method was conspiracy. "Great transformations," he said, "are never prepared by conspiracies," and it was a very great transformation indeed that he contemplated. He therefore formed a "Young Germany" of his own. His plan was to plant a lodge, or "family," wherever there existed a German

working men's association. The members of this family became members of the association and formed a leaven which influenced all around them, and, through the wandering habits of the German working class, was carried to much wider circles. The family met for political discussion once a week, read Friedrich Feuerbach together on the Sundays with fresh recruits, who, when they had mastered him, were said to have put off the old man; and their very password was *humanity*, a brother being recognised by using the half-word *human* — ? interrogatively, and the other replying by the remaining half — *ität*. The members were all ardent democrats, but, as a rule, so national in their sympathies that the leaders made it one great object of their *disciplina arcani* to stifle the sentiment of patriotism by subjecting it to constant ridicule.

Their relations to communism are not quite easy to determine. Marr himself sometimes expresses disapproval of the system. He says "Communism is the expression of impotence of will. The communists lack confidence in themselves. They suffer under social oppression, and look around for consolation instead of seeking for weapons to emancipate themselves with. It is only a world — weariness desiring illusion as the condition of its life." He says the belief in the absolute dependence of man on matter, is the shortest and most pregnant definition of communism, and that it starts from the principle that man is a slave and incapable of emancipating himself. But, on the other hand, he complains that the members of "Young Germany" did not sufficiently appreciate the social question, being disgusted with the fanaticism of the communists. By the communists, he here means the followers of Weitling and Albrecht, who were at that time creating a party

movement in Switzerland. The prophet Albrecht, as he is called, was simply a crazy mystic with proclivities to sedition which brought him at length to prison for six years, and which took there an eschatological turn from his having, it is said, nothing to read but the Bible, so that on his release he went about prophesying that Jehovah had prepared a way in the desert, which was Switzerland, for bringing into Europe a reign of peace, in which people should hold all things in common and enjoy complete sensuous happiness, sitting under their common vine and fig-tree, with neither king nor priest to make them any more afraid. Weitling was not quite so unimportant, but the attention he excited at the time is certainly not justified by any of the writings he has left us. He was a tailor from Magdeburg, who was above his work, believing himself to be a poet and a man of letters, condemned by hard fate and iniquitous social arrangements to a dull and cruel lot. Having gone to Paris when socialism was the rage there, he eagerly embraced that new gospel, and went to Switzerland to carry its message of hope to his own German countrymen. There he forsook the needle altogether, and lived as the paid apostle of the dignity of manual labour, for which he had himself little mind. His ideas are crude, confused, and arbitrary. His ideal of society was a community of labourers, with no State, no Church, no individual property, no distinction of rank or position, no nationality, no fatherland. All were to have equal rights and duties, and each was to be put in a position to develop his capacity and gratify his bents as far as possible. He was moved more by the desire for abstract equality than German socialists of the humanist or contemporary type, for they do not build on the justice of a more equal distribution of wealth so much as on the

necessity of the possession of property for the free development of the human personality. He is entirely German, however, in his idea of the government of the new society. It was to be governed by the three greatest philosophers of the age, assisted by a board of trade, a board of health, and a board of education. In Switzerland he founded, to promote his views, a secret society, the "Alliance of the Just," which had branches in most of the Swiss towns. Its members were chiefly Germans from Germany, for very few of the communists in Switzerland were born Swiss, and according to Marr, who was present at some of their meetings, they were three-fourths of them tailors. "I felt," says Marr, "when I entered one of these clubs that I was with the mother of tailors. The tailor sitting and chatting at his work is always extreme in his opinions. Tailor and communist are synonymous terms." It was to some of the leaders of this alliance that Weitling unfolded his wild scheme of a proletariate raid, according to which an army of 20,000 brigands was to be raised among the proletariate of the large towns, to go with torch and sword into all the countries of Europe, and terrify the *bourgeoisie* into a recognition of universal community of goods. It is only fair to add that his proposal met with no favour. Letters were found in his possession, and subsequently published in Bluntschli's official report, which show that some of Weitling's correspondents regarded his scheme with horror and others treated it with ridicule. One of them said it was trying to found the kingdom of heaven with the furies of hell. The relations between "Young Germany" and Weitling's allies were apparently not cordial, though they had so much in common that, on the one hand, Weitling's correspondents urge him to keep on good terms with "Young

Germany," and, on the other, Marr says he actually tried to get a common standing ground with the communists, and thought he had found it in the negation of the present system of things — the negation of religion, the negation of patriotism, the negation of subjection to authority.

Now the importance of this excursus on the Young Hegelians lies in the fact that Karl Marx was a humanist, and looked on humanism as the vital and creative principle in the renovation of political and industrial society. In the *Deutsche Französische Jahrbücher* he published an article on the Hegelian Philosophy of Right, in which he says: "The new revolution will be introduced by philosophy. The revolutionary tradition of Germany is theoretical. The Reformation was the work of a monk; the Revolution will be the work of a philosopher." The particular philosophy that was to do the work is that of the German critics, whose critique of religion had ended in the dogma that man is the highest being for man, and in the categorical imperative, "to destroy everything in the present order of things that makes a man a degraded, insulted, forsaken, and despised being." But philosophy cannot work a revolution without material weapons; and it will find its material weapon in the proletariate, which he owns, however, was at the time he wrote only beginning to be formed in Germany. But when it rises in its strength, it will be irresistible, and the revolution which it will accomplish will be the only one known to history that is not utopian. Other revolutions have been partial, wrought by a class in the interests of a class; but this one will be a universal and uniform revolution, effected in the name of all society, for the proletariate is a class which possesses a universal char-

acter because it dissolves all other separate classes into itself. It is the only class that takes its stand on a human and not a historical title. Its very sorrows and grievances have nothing special or relative in them; they are the broad sorrows and grievances of humanity. And its claims are like them; for it asks no special privileges or special prerogatives; it asks nothing but what all the world will share along with it. The history of the world is the judgment of the world, and the duration of an order of things founded on the ascendancy of a limited class possessing money and culture, is practically condemned and foredoomed by the rapid multiplication of a large class outside which possess neither. The growth of this latter body not merely tends to produce, but actually *is*, the dissolution of the existing system of things. For the existing system is founded on the assertion of private property, but the proletariate is forced by society to take the opposite principle of the negation of private property for the principle of its own life, and will naturally carry that principle into all society when it gains the power, as it is rapidly and inevitably doing. Marx sums up: "The only practical emancipation for Germany is an emancipation proceeding from the standpoint of the theory which explains man to be the highest being for man. In Germany the emancipation from the middle ages is only possible as at the same time an emancipation from the partial conquests of the middle ages. In Germany one kind of bond cannot be broken without all other bonds being broken too. Germany is by nature too thorough to be able to revolutionize without revolutionizing from a fundamental principle, and following that principle to its utmost limits; and therefore the emancipation of Germany will

be the emancipation of man. The head of this emancipation is philosophy; its heart is the proletariate." He adds that when things are ripe, "when all the inner conditions have been completed, the German resurrection day will be heralded by the crowing of the Gallic cock."

In this essay we mark already Marx's overmastering belief in natural historical evolution, which he had learnt from Hegel, and which prevented him from having any sympathy with the utopian projects of the French socialists. They vainly imagined, he held, that they could create a new world right off, whereas it was only possible to do so by observing a rigorous conformity to the laws of the development already in progress, by making use of the forces already at work, and proceeding in the direction towards which the stream of things was itself slowly but mightily moving. Hegel sought the principle of organic development in the State, but Marx sought it rather in civil society, and believed he had discovered it in that most mighty, though unconscious product of the large system of industry, the modern proletariate, which was born to revolution as the sparks fly upward; and in the simultaneous decline of the middle classes, that is, of the conservative element which could resist the change. The process which was, as he held, now converting society into an aggregate of beggars and millionaires was bound eventually to overleap itself and land in a communism. I shall not discuss the truth of this conception at present, but it contributes, along with the sentiments of justice and humanity that animate — rightly or wrongly — the ideal of the socialists, to lend something of a religious force to their movement, for they feel that they are fellow-workers with the nature of things.

We left Marx in Paris, and on returning to him, we find him engaged — as indeed we usually do when his history comes into notice — in a threefold warfare. Besides his general war against the arrangements of modern society, he is always carrying on a bitter and implacable war against the Prussian Government, and is often engaged in controversy — sometimes very personal — with foes of his own philosophical or revolutionary household. After the cessation of the *Deutsche Französische Jahrbücher*, Marx edited a paper called *Vorwärts*, and in this and other journals open to him, he attacked the Prussian administration so strongly that that administration complained to Guizot, who gave him orders to quit France. His more personal controversy at this time arose out of one of the schisms of the Young Hegelians, and he and his friend Friedrich Engels wrote a pamphlet — "Die Heilige Familie" — against the Hegelian Idealism, and especially against Bruno Bauer, who had offended him — says Erdmann, in his "History of Philosophy" — at once as Jew, as Radical, and as journalist. When expelled from France, he went to Brussels, where he was allowed to continue his war upon the Prussian Government without interference, till the revolution of 1848. During this period he devoted his attention more particularly than hitherto to commercial subjects, and published in 1846 his "Discours sur le Libre-échange," and in 1847 his "Misère de la Philosophie," a reply to Proudhon's "Philosophie de la Misère" — both in French.

While in Brussels, Marx received an invitation from the London Central Committee of the Communist League to join that society. This league had been founded in Paris in 1836, for the purpose of propagating communist opinions among the working men of

Germany. Its organisation was analogous to that of the International and other societies of the same kind. A certain number of members constituted a *Gemeinde*, the several *Gemeinden* in the same town constituted a *Kreis*, a number of *Kreise* were grouped into a leading *Kreis*, and at the head of the whole was the Central Committee which was chosen at a general congress of deputies from all the *Kreise*, and which had since 1840 had its seat in London. The method of the league was to establish, as a sphere of operation, German working men's improvement associations everywhere. The travelling custom of German working men greatly facilitated this work, and numbers of these associations were soon founded in Switzerland, England, Belgium, and the United States. The reason its committee applied to Marx was that he had just published a series of pamphlets in Brussels in which, as he tells us, he "submitted to a merciless criticism the medley of French-English socialism and communism and of German philosophy, which then constituted the secret doctrine of the League," and insisted that "their work could have no tenable theoretical basis except that of a scientific insight into the economical structure of society, and that this ought to be put into a popular form, not with the view of carrying out any utopian system, but of promoting among the working classes and other classes a self-conscious participation in the process of historical transformation of society that was taking place under their eyes." This is always with Marx the distinctive and ruling feature of his system. The French schemes were impracticable utopias, because they ignored the laws of history and the real structure of economical society; and he claims that his own proposals are not only practicable but inevitable, because

they strictly observe the line of the actual industrial evolution, and are thus, at worst, plans for accelerating the day after to-morrow. But, besides this difference of principle, Marx thought the League should also change its method and tactics. Its work, being that of social revolution, was different from that of the old political conspirators and secret societies, and therefore needed different weapons; the times, too, were changed, and offered new instruments. Street insurrections, surprises, intrigues, *pronunciamientos* might overturn a dynasty, or oust a government, or bring them to reason, but were of no avail in the world for introducing collective property or abolishing wage labour. People would just begin again the day after to work for hire and rent their farms as they did before. A social revolution needed other and larger preparation; it needed to have the whole population first thoroughly leavened with its principles; nay, it needed to possess an international character, depending not on detached local outbreaks, but on steady concert in revolutionary action on the part of the labouring classes everywhere. The cause was not political, or even national, but social; and society — which was indeed already pregnant with the change — must be aroused to a conscious consent to the delivery. What was first to be done, therefore, was to educate and move public opinion, and in this work the ordinary secret society went but a little way. A secret propaganda might still be carried on, but a public and open propaganda was more effectual and more suitable to the times. There never existed greater facilities for such a movement, and they ought to make use of all the abundant means of popular agitation and intercommunication which modern society allowed. No more secret societies in holes and corners, no more small

risings and petty plots, but a great broad organisation working in open day, and working restlessly by tongue and pen to stir the masses of all European countries to a common international revolution. Marx sought in short to introduce the large system of production into the art of conspiracy.

Finding his views well received by the Central Committee of the Communist League, he acceded to their request to attend their General Congress at London in 1847, and then, after several weeks of keen discussion, he prevailed upon the Congress to adopt "the Manifesto of the Communist party," which was composed by himself and Engels, and which was afterwards translated from the German into English, French, Danish, and Italian, and sown broadcast everywhere just before the Revolution of 1848. This Communist League may be said to be the first organisation — and this Communist Manifesto the first public declaration — of the International Socialist Democracy that now is. The Manifesto begins by describing the revolutionary situation into which the course of industrial development has brought modern society. Classes were dying out; the yeomanry, the nobility, the small tradesmen, would soon be no more; and society was drawn up in two widely separate hostile camps, the large capitalist class, or *bourgeoisie*, who had all the property and power in the country, and the labouring class, the proletariate, who had nothing of either. The *bourgeoisie* had played a most revolutionary part in history. They had overturned feudalism, and now they had created proletarianism, which would soon swamp themselves. They had collected the masses in great towns; they had kept the course of industry in perpetual flux and insecurity by rapid successive transformations of the instruments

and processes of production, and by continual recurrences of commercial crises; and, while they had reduced all other classes to a proletariate, they had made the life of the proletariate one of privation, of uncertainty, of discontent, of incipient revolution. They exploited the labourer of political power; they exploited him of property, for they treated him as a ware, buying him in the cheapest market for the cost of his production, that is to say, the cost of his living, and taking from him the whole surplus of his work, after deducting the value of his subsistence. Under the system of wage labour, it could not be otherwise. Wages could never, by economical laws, rise above subsistence; and while wage labour created property, it created it always for the capitalist, and never for the labourer; and in fact the latter only lived at all, so far as it was for the interests of the governing class, the *bourgeoisie*, to permit him. Class rule and wage labour must be swept away, for they were radically unjust, and a new reign must be inaugurated which would be politically democratic and socially communistic, and in which the free development of each should be the condition for the free development of all.

The Manifesto went on to say that communism was not the subversion of existing principles, but their universalisation. Communism did not seek to abolish the State, but only the *bourgeois* state, in which the *bourgeois* exclusively hold and wield political power. Communism did not seek to abolish property, but only the *bourgeois* system of property, under which private property is really already abolished for nine-tenths of society, and maintained merely for one-tenth. Communism did not seek to abolish marriage and the family, but only the *bourgeois* system of things under which mar-

riage and the family, in any true sense of those terms, were virtually class institutions, for the proletariate could not have any family life worthy of the name, so long as their wages were so low that they were forced to huddle up their whole family, regardless of all decency, in a single room, so long as their wives and daughters were victims of the seduction of the *bourgeoisie*, and so long as their children were taken away prematurely to labour in mills for *bourgeois* manufacturers, who yet held up their hands in horror at the thought of any violation of the institution of the family. Communism did not tend to abolish fatherland and nationality — that was abolished already for the proletariate, and was being abolished for the *bourgeoisie*, too, by the extensions of their trade.

As to the way of emancipation, the proletariate must strive to obtain political power, and use it to deprive the *bourgeoisie* of all capital and means of production, and to place them in the hands of the State, *i.e.*, of the proletariate itself organised as a governing body. Now, for this, immediate and various measures interfering with property, and condemned by our current economy, were requisite. Those measures would naturally be different for different countries, but for the most advanced countries the following were demanded: (1) Expropriation of landed property and application of rent to State expenditure; (2) abolition of inheritance; (3) confiscation of the property of all emigrants and rebels; (4) centralisation of credit in the hands of the State by means of a national bank, with State capital and exclusive monopoly; (5) centralisation of all means of transport in hands of State; (6) institution of national factories, instruments of production, and improvement of lands on a common plan; (7) compulsory

obligation of labour upon all equally, and establishment of industrial armies, especially for agriculture, (8) joint prosecution of agriculture and mechanical arts, and gradual abolition of the distinction of town and country, (9) public and gratuitous education for all children, abolition of children's labour in factories, &c. The Manifesto ends by saying: — "The communists do not seek to conceal their views and aims. They declare openly that their purpose can only be obtained by a violent overthrow of all existing arrangements of society. Let the ruling classes tremble at a communistic revolution. The proletariate have nothing to lose in it but their chains; they have a world to win. Proletarians of all countries, unite!"

When the French Revolution of February, 1848, broke out, Marx was expelled without circumstance from Brussels, and received an invitation from the Provisional Government of Paris to return to France. He accepted this invitation, but was only a few weeks in Paris when the German revolution of March occurred, and he hastened to the theatre of affairs. With his friends, Freiligrath, Wolff, Engels, and others, he established on June 1st in Cologne the *New Rhenish Gazette*, which was the soul of the Rhenish revolutionary movement, the most important one of the year in Germany, and that in which, as we have seen, the young Lassalle first emerged on the troubled surface of revolutionary politics. After the *coup d'état* of November, dissolving the Prussian Parliament, the *New Rhenish Gazette* strongly urged the people to stop paying their taxes, and thus meet force by force. It inserted an admonition to that effect in a prominent place in every successive number, and Marx was twice tried for sedition on account of this admonition, but each time acquitted.

The newspaper, however, was finally suppressed by civil authority after the Dresden insurrection of May, 1849, its last number appearing on June 19th in red type, and containing Freiligrath's well-known "Farewell of the *New Rhenish Gazette*"—spiritedly translated for us by Ernest Jones — which declared that the journal went down with "rebellion" on its lips, but would reappear when the last of the German Crowns was overturned.

Farewell, but not for ever farewell!
They cannot kill the spirit, my brother;
In thunder I'll rise on the field where I fell,
More boldly to fight out another.
When the last of Crowns, like glass, shall break
On the scene our sorrows have haunted,
And the people its last dread "Guilty" shall speak,
By your side you shall find me undaunted.
On Rhine or on Danube, in war and deed,
You shall witness, true to his vow,
On the wrecks of thrones, in the midst of the field,
The rebel who greets you now.

This vow is no mere Parthian flourish of poetical defiance. Freiligrath and his friends undoubtedly believed at this time that the political movements of 1848 and 1849 were but preliminary ripples, and would be presently succeeded by a great flood-wave of revolution which they heard already sounding along in their dangerously expectant ear. His poem on the Revolution remains as evidence to us that in 1850 he still clung to that hope, and it would not have been out of tune with his sanguine beliefs of the year before if he promised, not merely that the spirit of the journal would rise again, but that its next number would be published, after the Deluge.

Meanwhile Marx went to London, where he remained

for the rest of his life. Finding that the revolutionary spirit did not revive, and that historical societies, which have not lost their moral and economical vitality, had a greater readjusting power against political disturbance than he previously believed, he gave up for the next ten or twelve years the active work of revolutionising. The Communist League, which had got disorganised in the revolutionary year, and was rent in two by a bitter schism in 1850, was, with his concurrence, dissolved in 1852, on the ground that its propaganda was no longer opportune; and the story of the Brimstone League, with its iron discipline and ogrish desires, of which Mehring says Marx was, during his London residence, the head-centre, is simply a fairy tale of Karl Vogt's, whose baselessness Marx has himself completely exposed. Before leaving the Communist League, two circumstances may be mentioned, because they repeat themselves constantly in this revolutionary history. The one is that this schism took place not on a point of doctrine, but of opportunity; the extremer members thought the conflict in Germany on the Hessian question offered a good chance for a fresh revolutionary outbreak, and they left the League because their views were not adopted. The other is that in one of its last reports (quoted by Mehring) the League definitely justifies, and even recommends, assassination and incendiarism — "the so-called excesses, the inflictions of popular vengeance on hated individuals, or on public buildings which revive hateful associations." For the next ten years Marx lived quietly in London, writing for the *New York Tribune* and other journals, and studying modern industry on this its "classical soil." A pamphlet or two on Louis Napoleon, on Lord Palmerston (widely circulated by David Urquhart), on the Cologne

Communistic Trial, a more solid work, the "Kritik der Politischen Oekonomie" (1859), and a bitterly personal polemic with Karl Vogt occasionally interrupted the even tenour of his way, but he does not claim our attention again till the foundation of the International Working Men's Association in 1864.

The International was simply the Communist League raised again from the dead. Their principles were the same; their constitution was the same; and Marx began his inaugural address to the International in 1864 with the very words that concluded his Communistic Manifesto of 1847, "Proletarians of all nations, unite!" When the representatives of the English working men first suggested the formation of an international working men's association, in the address they presented in the Freemasons' Tavern to the French working men who were sent over at the instance of Napoleon III. to the London Exhibition of 1862, they certainly never dreamt of founding an organisation of revolutionary socialist democracy which in a few years to come was to wear a name at which the world turned pale. Their address was most moderate and sensible. They said that some permanent medium of interchanging thoughts and observations between the working men of different countries was likely to throw light on the economic secrets of societies, and to help onwards the solution of the great labour problem. For they declared that that solution had not yet been discovered, and that the socialist systems which had hitherto professed to propound it were nothing but magnificent dreams. Moreover, if the system of competition were to continue, then some arrangement of concord between employer and labourer must be devised, and in order to assert the views of the labouring class effectively in that

arrangement, a firm and organised union must be established among working men, not merely in each country, but in all countries, for their interests, both as citizens and as labourers, were everywhere identical. Those ideas would constitute the basis of a very rational and moderate programme. But when, in the following year, after a meeting in favour of the Polish insurrection, which was held in St. Martin's Hall under the presidency of Professor Beesly, and at which some of the French delegates of 1862 were present, a committee was appointed to follow up the suggestion, this committee asked Marx to prepare a programme and statutes for the proposed association, and he impressed upon it at its birth the stamp of his own revolutionary socialism. He never had a higher official position in the International than corresponding secretary for Germany, for it was determined, probably with the view of securing a better hold of the great English working class and their extensive trade organisations, that the president and secretary should be English working men, and then, after a time, the office of president was abolished altogether because it had a monarchical savour. But Marx had the ablest, the best informed, and probably the most made-up mind in the council; he governed without reigning; and, with his faithful German following, he exercised an almost paramount influence on its action from first to last, in spite of occasional revolts and intrigues against an authority which democratic jealousy resented as dictatorial, or — worse still — monarchial. The statutes of the association, which were adopted at the Geneva Congress of 1866, declared that "the economical subjection of the labourer to the possessor of the means of labour, *i.e.*, of the sources of life, is the first cause of his political,

moral, and material servitude, and that the economical emancipation of labour is consequently the great aim to which every political movement ought to be subordinated." Now no doubt the "economical emancipation of labour" meant different things to different sections of the association's members. To the English trades-unionists it meant practically better wages; to the Russian nihilists it meant the downfall of the Czar and of all central political authority, and leaving the socialistic communal organisation of their country to manage itself without interference from above; to some of the French members (as appeared at the Lausanne Congress in 1867) it meant the nationalisation of credit and all land except that held by peasant proprietors, a class which it was necessary to maintain as a counterpoise to the State; while, to the German socialists, it meant the abolition of wages, the nationalisation of land and the instruments of production, the assumption by the State of a supreme direction of all trade, commerce, finance, and agriculture, and the distribution by the State of land, tools, and materials to guilds and productive associations as the actual industrial executive. There were thus very different elements in the composition of the International, but a *modus vivendi* was found for some years by nursing an ultimate ideal, which was desirable, and meanwhile practically working for a proximate and much narrower ideal, which was more immediately feasible or necessary. The association could thus hold that nothing could benefit the working class but an abolition of wages, and could yet, as it sometimes did, help and encourage strikes which wanted only to raise wages. At its Congress in Brussels in 1868 it declared that a strike was not a means of completely emancipating the labourers, but was often

a necessity in the present situation of labour and capital. Most of the other practical measures to which the association addressed itself — the eight hours normal day of labour, gratuitous education, gratuitous justice, universal suffrage, abolition of standing armies, abolition of indirect taxes, prohibition of children's labour, State credit for productive associations — contemplated modifications of the existing system of things, but always contemplated them as aids to and instalments of the coming transformation of that system. The consciousness was constantly preserved that a revolution was impending, and that, as Lassalle said, it was bound to come and could not be checked, whether it approached by sober advances from concession to concession, or flew, with streaming hair and shod with steel, right into the central stronghold.

This was very much the keynote struck by Marx in his inaugural address. That address was simply a review of the situation since 1848, and an encouragement of his forces to a renewal of the combat. Wealth had enormously increased in the interval; colonies had been opened, new inventions discovered, free trade introduced; but misery was not a whit the less; class contrasts were even deeper marked, property was more than ever in the hands of the few; in England the number of landowners had diminished eleven per cent. in the preceding ten years; and if this rate were to continue, the country would be rapidly ripe for revolution. While the old order of things was thus hastening to its doom, the new order of things had made some advances. The Ten Hours Act was "not merely a great practical result, but was the victory of a principle. For the first time the political economy of the *bourgeoisie* had been in clear broad day put in subjec-

tion to the political economy of the working class." Then, again, the experiment of co-operation had now been sufficiently tried to show that it was possible to carry on industry without the intervention of an employing class, and had spread abroad the hope that wage labour was, like slavery and feudal servitude, only a transitory and subordinate form, which was destined to be superseded by associated labour. The International had for its aim to promote this associated labour; only it sought to do so, not piecemeal and sporadically, but systematically, on a national scale, and by State means. And for this end the labouring class must first acquire political power, so as to obtain possession of the means of production; and to acquire political power they must unite.

The International, though, as we have seen, possessing no real solidarity in its composition, held together till the outbreak of the Franco-German war, and of the revolution of the Paris Commune. It was, of course, strongly opposed to the war, as it was to all war; and strongly in favour of the revolution, as it was of all revolution. Its precise complicity in the work of the Commune is not easy to determine, but there can be no doubt that its importance has been greatly exaggerated, both by the fears of its enemies and the vanity of its members. Some of the latter were certainly among those who sat in the Hôtel de Ville, but none of them were leading minds there; and, as for the association itself, it never had a real membership, or ramifications, of any formidable extent. For example, the English trades-unions were in connection with it, and their members might be, in a sense, counted among its members, but it is certain they never recognised it as an authority over them, and they probably subscribed to it mainly as to a

useful auxiliary in a strike. The leaders of the International, however, were, undoubtedly, heart and soul with the Commune, and approved probably both of its aims and methods, and Marx, at the Congress of the International, at the Hague, in 1872, drew from its failure the lesson that "revolution must be solidary" in order to succeed. A revolution in one capital of Europe must be supported by simultaneous revolutions in the rest. But, while there is little ground for the common belief that the International had any important influence in creating the insurrection of the Commune, it is certain that the insurrection of the Commune killed the International. The English members dropped off from it and never returned, and at its first Congress after the revolution (the Hague, 1872), the association itself was rent by a fatal schism arising from differences of opinion on a question as to the government of the society of the future, which would probably not have become a subject of such keen present interest at the time but for the Paris Commune. The question concerned the maintenance or abolition of the State, of the supreme central political authority, and the discussion brought to light that the socialists of the International were divided into two distinct and irreconcilable camps — the Centralist Democratic Socialists, headed by Marx, and the Anarchic Socialists, headed by Michael Bakunin, the Russian revolutionist. The Marxists insisted that the social *régime* of collective property and systematic co-operative production could not possibly be introduced, maintained, or regulated, except by means of an omnipotent and centralised political authority — call it the State, call it the collectivity, call it what you like — which should have the final disposal of everything. The Bakunists held that this was just bringing back the old tyranny

and slavery in a more excessive and intolerable form. They took up the tradition of Proudhon, who said that "the true form of the State is anarchy," meaning by anarchy, of course, not positive disorder, but the absence of any supreme ruler, whether king or convention. They would have property possessed and industry pursued on a communistic principle by groups or associations of workmen, but these groups must form themselves freely and voluntarily, without any social or political compulsion. The Marxists declared that this was simply a retention of the system of free competition in an aggravated form, that it would only lead to confusion worse confounded, and that the Bakunists, even in trying to abolish the evils of *laissez-faire*, were still foolishly supposing that the world would go of itself. This division of opinion — really a broader one than that which parts socialist from orthodox economist — rent the already enfeebled International into two separate organisations, which languished for a year or two and passed away. And so, with high thoughts of spreading a reign of fraternity over the earth, the International Working Men's Association perished, because being only human, it could not maintain fraternity in its own narrow borders. This is a history that repeats itself again and again in socialist movements. As W. Marr said in the remark quoted above, revolutionists will only unite on a negation; the moment they begin to ask what they will put in its place they differ and dispute and come to nought. Apprehend them, close their meetings, banish their leaders, and you but knit them by common suffering to common resistance. You supply them with a negation of engrossing interest, you preoccupy their minds with a negative programme which keeps them united, and so you prevent them from raising the fatal question

— What next? which they never discuss without breaking up into rival sects and factions, fraternal often in nothing but their hatred. "It is the shades that hate one another, not the colours." Such disruptions and secessions may — as they did in Germany — by emulation, increase for a time the efficiency of the organisation as a propagandist agency, but they certainly diminish its danger as a possible instrument of insurrection. A socialist organisation seems always to contain two elements of internal disintegration. One is the prevalence of a singular and almost pathetic mistrust of their leaders, and of one another. The law of suspects is always in force among themselves. At meetings of the German socialists, Liebknecht denounces Schweitzer as an agent of the Prussian Government, Schweitzer accuses Liebknecht of being an Austrian spy, and the frequent hints at bribery, and open charges of treason against the labourers' cause, disclose to us now duller and now more acute phases of that unhappy state of mutual suspicion, in which the one supreme, superhuman virtue, worthy to be worshipped, if haply it could anywhere be discovered, is the virtue men honoured even in Robespierre — the incorruptible. The other source of disintegration is the tendency to intestine divisions on points of doctrine. A reconstruction of society is necessarily a most extensive programme, and allows room for the utmost variety of opinion and plan. The longer it is discussed the more certainly do differences arise, and the movement becomes a strife of schools in no way formidable to the government. All this only furnishes another reason for the conclusion that in dealing with socialist agitations, a government's safest as well as justest policy is, as much as may be, to leave them alone. Their danger lies in the cloudiness

of their ideas, and that can only be dispersed in the free breezes of popular discussion. The sword is an idle method of reasoning with an idea; an idea will eventually yield to nothing but argument. Repression, too, is absolutely impossible with modern facilities of intercommunication, and can at best but drive the offensive elements for a time into subterranean channels, where they gather like a dangerous choke-damp that may occasion at any moment a serious explosion.

After the fall of the International Marx took no further part in public movements, but occupied his time in completing his work "Das Capital," under frequent interruption from ill-health, and he died in Paris in the spring of 1883, leaving that work still unfinished.

The "Das Capital" of Marx may be said to be the sacred book of contemporary socialism, and though, like other sacred books, it is probably a sealed one to the body of the faithful, for it is extremely stiff reading, it is the great source from which socialist agitators draw their inspiration and arguments. Apart from the representative authority with which it is thus invested, it must be at once acknowledged to be an able, learned, and important work, founded on diligent research, evincing careful elaboration of materials, much acuteness of logical analysis, and so much solicitude for precision that a special terminology has been invented to secure it. The author's taste for logical distinctions, however, as he has actually applied it, serves rather to darken than to elucidate his exposition. He overloads with analysis secondary points of his argument which are clear enough without it, and he assumes without analysis primary positions which it is most essential for him to make plain. His style and method carries us back to the

ecclesiastical schoolmen. His superabounding love of scholastic formalities is unmodern; and one may be permitted to hope that the odium more than theological with which he speaks of opponents has become unmodern too. Burke is "the sophist and sycophant Edmund Burke;" Macaulay is also "a sycophant," and what is worse, "a systematic falsifier of history;" Bentham is "a genius of civic commonplace;" Earl Russell is "the tomtit of Liberalism." The *Morning Star* is "an idiotically naïve Free Trade organ." Proudhon is a *Spitzburger*, a grocer kind of body, who borrowed a few ideas "from Gray, Bray, and others," and made "a Philistine Utopia" of them.

Marx's argument takes the form of an inquiry into the origin and social effects of capital; understanding the word capital, however, in a peculiar sense. Capital, according to the elementary teaching of political economy, always means the portion of wealth which is saved from immediate consumption to be devoted to productive uses, and it matters not whether it is so saved and devoted by the labourer who is to use it, or by some other person who lends it to the labourer at interest or employs the labourer to work with it at a fixed rate of wages. A fisherman's boat is capital as much as a Cunard Company's steamer, although the boat is owned by the person who sails it and the steamer by persons who may never have seen it. The fisherman is labourer and capitalist in one, but in the case of the steamer the capital is supplied by one set of people and the labour undertaken by another. Now Marx speaks of capital only after this division of functions has taken place. It is, he says, not a logical but a historical category. In former times men all wrought for the supply of their own wants, the seed and stock they received

was saved and owned by themselves, capital was an instrument in the hands of labour. But in modern times, especially since the rise of foreign commerce in the 16th century, this situation has been gradually reversed. Industry is now conducted by speculators, who advance the stock and pay the labourer's wages, in order to make gain out of the excess of the product over the advances, and labour is a mere instrument in the hands of capital. The capitalist is one who, without being personally a producer, advances money to producers to provide them with materials and tools, in the hope of getting a larger sum of money in return, and capital is the money so advanced. With this representation of capital as money, so long as it is but a popular form of speech, no fault need be found, but Marx soon after falls into a common fallacy and positively identifies capital with money, declaring them to be only the same thing circulating in a different way. Money as money, he says, being a mere medium of exchange, is a middle term between two commodities which it helps to barter, and the order of circulation is C— M— C, *i.e.*, *commodity* is converted into *money* and *money* is reconverted into *commodity*. On the other hand money as capital stands at the two extremes, and commodity is a middle term, a medium of converting one sum of money into another and greater; the order of circulation being expressed as M— C— M. Of course capital, like other wealth, may be expressed in terms of money, but to identify capital with money in this way is only to introduce confusion, and the real confusion is none the less pernicious that it presents itself under an affectation of mathematical precision.

Capital, then, as Marx understands it, may be said to be independent wealth employed for its own increase,

and in "societies in which the capitalistic method of production prevails" all wealth bears distinctively this character. In more primitive days, wealth was a store of means of life produced and preserved for the supply of the producer's future wants, but now it "appears as a huge collection of wares," made for other people's wants, made for sale in the market, made for its own increase. What Marx wants to discover is how all this independent wealth has come to accumulate in hands that do not produce it, and in particular from whence comes the increase expected from its use, because it is this increase that enables it to accumulate. What he endeavours to show is that this increase of value cannot take place anywhere except in the process of production, that in that process it cannot come from the dead materials, but only from the living creative power of labour that works upon them, and that it is accordingly virtually stolen from the labourers who made it by the superior economical force of the owners of the dead materials, without which indeed it could not be made, but whose service is entitled to a much more limited reward.

No increase of value, he contends, can occur in the process of exchange, for an exchange is a mere transposition of things of equal value. In one sense both parties in the transaction are gainers, for each gets a thing he wants for a thing he does not want. The usefulness of the two commodities is thus increased by the exchange, but their value is not. An exchange simply means that each party gives to the other equal value for equal value, and even if it were possible for one of them to make a gain in value to-day — to get a more valuable thing for a less valuable thing — still, as all the world is buyer and seller in turn, they would lose

to-morrow as buyers what they gained to-day as sellers, and the old level of value would be restored. No increase whatever would be effected. There is indeed a class of people whom he describes as always buying and never selling — the unproducing class who live on their money, and who, he says, receive by legal titles or by force wealth made by producers without giving anything in exchange for it. And it may be supposed that perhaps value is created by selling things to this class of persons, or by selling things to them above their true value, but that is not so; you would have brought no new value into the world by such a transaction, and even if you got more for your goods than their worth, you would only be cheating back from these rich people part of the money that they had previously received for nothing. Another supposition remains. Perhaps new value is created in the process of exchange when one dealer takes advantage of another — when Peter, say, contrives to induce Paul to take £40 worth of wine for £50 worth of iron. But in this case there has been no increase of value: the value has merely changed hands; Peter has £10 more than he had before, and Paul £10 less. The commodities have between them after the transaction, as they had before it, a total value of £90, and that total cannot be increased by a mere change of possessor.

Having thus established to his satisfaction that commerce, being only a series of exchanges, cannot produce any increase of value, or what he terms surplus value, Marx says that that only makes the problem of the origin of surplus value more enigmatical than ever. For we are thus left in presence of an apparent contradiction: surplus value cannot spring up in the circulation of commodities because circulation is nothing but

an exchange of equivalents; and yet surplus value can not spring up anywhere except in circulation, because the class of persons who receive it and live by it do not produce. Here, then, is a riddle, and Marx sets himself to rede it. True, he says, value is not created directly in the market, but a commodity is purchased in the market which has the remarkable property of creating value. That commodity is the human powers of labour. The very use of these powers, their consumption, their expenditure, is the creation of value. But marvellous as they are their possessor is obliged to sell them, because while they are yielding their product he must meanwhile live, and he sells a day's use of them for a day's means of living. They create in a day far more than the value of the wages for which they are bought. This excess is surplus value, and is the secret and fountainhead of all accumulations of capital. Powers which can create six shillings' worth in a day may be procured in the market for three shillings, because three shillings will pay for their necessary maintenance. Surplus value is the difference between the value of the labourer's necessary maintenance and the value of the labourer's production, and it is in the present system entirely appropriated by the dealer who advances him his wages.

Marx thus bases his argument on two principles which he borrows from current economical writers, without, however, observing the limitations under which those writers taught them, and introducing besides important modifications of his own. The one principle is that value comes from labour, or as economists stated their law, that the natural value of commodities is determined by the cost of their production. The second is only a special application of the first; that the natural wages

of labour are determined by the cost of its production, and that the cost of the production of labour is the cost of the labourer's subsistence. The fault he finds with the present system is accordingly this, that while labour creates all value it is paid only by its stated living, no matter how much value it creates; and he then goes over the phenomena of modern industrial life to show how each arrangement is invented so as to extract more and more value out of the labourer by prolonging his hours of work or enhancing its speed without giving him any advantage whatever from the increase of value so obtained. We shall get a fair view of Marx's argument, therefore, if we follow it through the successive heads: 1st, Value; 2nd, Wages; 3rd, Normal day of labour; 4th, Machinery; 5th, Piecework; 6th, Relative over-population.

1st. *Value.* Marx holds that all capital — all industrial advances except wages — is absolutely unproductive of value, and therefore not entitled to the acknowledgment known as interest. The original value of all such capital — the purchase price of the materials, together with a certain allowance made for tear and wear of machinery — is carried forward into the value of the product, and preserved in it, and even that could not be done except by labour. The old value is preserved by labour, and all new value is conferred by it, and therefore interest is a consideration entirely out of the question. It is obvious to object that labour by itself is as unproductive as capital by itself, but Marx would reply that while labour and capital are equally indispensable to produce new commodities, it is labour alone that produces new value, for value is only so much labour preserved, it is merely a register of so many hours of work. His whole argument thus turns upon his doctrine of the

nature of value, and that doctrine must therefore be closely attended to.

What, then, is value? Marx considers that most errors on this subject have arisen from confusing value with utility on the one hand or with price on the other, and he regards his discrimination of value from these two ideas as his most important contribution to political economy. He takes his start from the distinction current since the days of Adam Smith between value in use and value in exchange, and of course agrees with Smith in making the value of a commodity in exchange to be independent of its value in use. Water had great value in use and none in exchange, and diamonds had great value in exchange and little in use. Value in use is therefore not value strictly so called, it is utility; but strictly speaking value in exchange, according to Marx, is not value either, but only the form under which in our state of society value manifests itself. There was no exchange in primitive society when every family produced things to supply its own wants, and there would be no exchange in a communism, for in an exchange the transacting parties stand to one another equally as private proprietors of the goods they barter. And where there was no exchange there could of course be no exchange-value. No doubt there was value for all that in primitive times, and there would be value under a communism, though it would manifest itself in a different form. But as we live in an exchanging society, where everything is made for the purpose of being exchanged, it is in exchange alone that we have any experience of value, and it is only from an examination of the phenomena of exchange that we can learn its nature.

What, then, is value in exchange? It is the ratio in

which one kind of useful commodity exchanges against another kind of useful commodity. This ratio, says Marx, does not in the least depend on the usefulness of the respective commodities, or their capacity of gratifying any particular want. For, first, that is a matter of quality, whereas value is a ratio between quantities; and second, two different kinds of utility cannot be compared, for they have no common measure, but value, being a ratio, implies comparison, and comparison implies a common measure. A fiddle charms the musical taste, a loaf satisfies hunger, but who can calculate how much musical gratification is equivalent to so much satisfaction of hunger. The loaf and the fiddle may be compared in value, but not by means of their several uses. Third, there are many commodities which are useful and yet have no value in exchange; air, for example, water, and, he adds, virgin soil. In seeking what in the exchange the value depends on, we must therefore leave the utility of the commodities exchanged entirely out of account, and if we do so there is only one other attribute they all possess in common, and it must be on that attribute that their value rests. That attribute is that they are all products of labour. While we looked to the utility of commodities, they were infinite in their variety, but now they are all reduced to one sober characteristic, they are so many different quantities of the same material, labour. Diversity vanishes; there are no longer tables and chairs and houses, there is only this much and that much and the next amount of preserved human labour. And this labour itself is not discriminated. It is not joiner work, mason work, or weaver work; it is merely human labour in the abstract, incorporated, absorbed, congealed, in exchangeable commodities. In an exchange commodities are quantities of

labour jelly, and they exchange in the ratio of the amount of labour they have taken in.

Value, then, is quantity of abstract labour, and now what is quantity of labour? How is it to be ascertained? Labour is the exertion or use of man's natural powers of labour, and the quantity of labour is measured by the duration of the exertion. Quantity of labour is thus reduced to time of labour, and is measured by hours and days and weeks. Marx accordingly defines value to be an immanent relation of a commodity to time of labour, and the secret of exchange is that "a day's labour of given length always turns out a product of the same value." Value is thus something inherent in commodities before they are brought to market, and is independent of the circumstances of the market.

Marx has no sooner reduced value to the single uniform element of time of labour, and excluded from its constitution all considerations of utility and the state of the market, than he reintroduces those considerations under a disguised form. In the first place, if a day's labour of given length always produces the same value, it is obvious to ask whether then an indolent and unskilful tailor who takes a week to make a coat has produced as much value as the more expert hand who turns out six in this time, or, with the help of a machine, perhaps twenty? Marx answers, Certainly not, for the time of labour which determines value is not the time actually taken, but the time required in existing social conditions to produce that particular kind of commodity — the time taken by labour of average efficiency, using the means which the age affords — in short, what he calls the socially necessary time of labour. Value is an immanent relation to socially necessary time of labour. Marx's standard is thus, after all, not one of quantity

of labour pure and simple; it takes into account, besides, the average productive power of labour in different branches of industry. "The value of a commodity," says he, "changes directly as the quantity, and inversely as the productive power, of the labour which realises itself in that commodity." Before we know the value of a commodity we must therefore know not only the quantity of labour that has gone into it, but the productive power of that labour. We gather the quantity from the duration of exertion, but how is average productive power to be ascertained? By simply ascertaining the total product of all the labour engaged in a particular trade, and then striking the average for each labourer. Diamonds occur rarely in the crust of the earth, and therefore many seekers spend days and weeks without finding one. Hits and misses must be taken together; the productive power of the diamond seeker is low; or, in other words, the time of labour socially necessary to procure a diamond is high, and its value corresponds. In a good year the same labour will produce twice as much wheat as in a bad; its productive power is greater; the time socially necessary to produce wheat is less, and the price of the bushel falls. The value of a commodity is therefore influenced by its comparative abundance, whether that be due to nature, or to machinery, or to personal skill.

But, in the next place, if value is simply so much labour, it would seem to follow, on the one hand, that nothing could have value which cost no labour, and, on the other, that nothing could be devoid of value which cost labour. Marx's method of dealing with these two objections deserves close attention, because it is here that the fundamental fallacy of his argument is brought most clearly out. He answers the first of them by draw-

ing a distinction between *value* and *price*, which he and his followers count of the highest consequence. Things which cost no labour may have a *price*, but they have no *value*, and, as we have seen, he mentions among such things conscience and virgin soil. No labour has touched those things; they have no immanent relation to socially necessary time of labour; they have not, and cannot have any value, as Marx understands value. But then, he says, they command a price. Virgin soil is actually sold in the market; it may procure things that have value though it has none itself. Now, this distinction between value and price has no bearing on the matter at all, for the simple reason that, as Marx himself admits, price is only a particular form of value. Price, he says, is "the money form of value;" it is value expressed in money; it is the exchange value of a commodity with money. To say that uncultivated land may have a price but not a value is, on Marx's own showing, to say that it has an exchange value which can be definitely measured in money, and has yet no value. But he has started from the phenomena of exchange; he has told us that exchange value is the only form in which we experience value now; and he thus arrives at a theory of value which will not explain the facts. If he argued that a thing had value, but no exchange value, his position might be false, but he says that a thing may have exchange value but no value, and so his position is contradictory. Moreover, he describes money accurately enough as a measure of value, and says that it could not serve this function except it were itself valuable, *i.e.*, unless it possessed the quality that makes all objects commensurable, the quality of being a product of labour. Yet here we find him admitting that virgin soil, which, *ex hypothesi*, does not

possess that quality, and ought therefore to be incommensurable with anything that possesses it, is yet measured with money every day. Such are some of the absurdities to which Marx is reduced by refusing to admit that utility can confer value independently of labour.

Let us see now how he deals with the other objection. If labour is just value-forming substance, and if value is just preserved labour, then nothing which has cost labour should be destitute of value. But Marx frankly admits that there are such things which have yet got no value; and they have no value, he explains, because they have no utility. "Nothing can have value without being useful. If it is useless the work contained in it is useless, and therefore has no value." He goes further; he says that a thing may be both useful and the product of labour and yet have no value. "He who by the produce of his labour satisfies wants of his own produces utility but not value. To produce a ware, *i.e.*, a thing which has not merely value in use, but value in exchange, he must produce something which is not only useful to himself, but useful to others," *i.e.*, socially useful. A product of labour which is useless to the producer and everybody else has no value of any sort; a product of labour which, while useful to the producer, is useless to any one else, has no exchange value. It satisfies no want of others. This would seem to cover the case of over-production, when commodities lose their value for a time because nobody wants them. Lassalle explained this depreciation of value by saying that the time of labour socially necessary to produce the articles in question had diminished. Marx explains it by saying that the labour is less socially useful or not socially useful at all. And why

is the labour not socially useful? Simply because the product is not so. The social utility or inutility of the labour is a mere inference from the social utility or inutility of the product, and it is therefore the latter consideration that influences value. Marx tries in vain to exclude the influence of that consideration, or to explain it as a mere subsidiary qualification of labour. Labour and social utility both enter equally into the constitution of value, and Marx's radical error lies in defining value in terms of labour only, ignoring utility.

For what, after all, is value? Is Marx's definition of it in the least correct? No. Value is not an inherent relation (whatever that may mean) of a commodity to labour; it is essentially a social estimate of the relative importance of commodities to the society that forms the estimate. It is not an immanent property of an object at all; it is a social opinion expressed upon an object in comparison with others. This social opinion is at present collected in an informal but effective way, through a certain subtle tact acquired in the market, by dealers representing groups of customers on the one hand, and manufacturers representing groups of producers on the other; and it may be said to be pronounced in the verdict of exchange, *i.e.*, according to Mill's definition of value, in the quantity of one commodity given in exchange for a given quantity of another. Now, on what does this social estimate of the relative importance of commodities turn? In other words, by what is value and difference in value determined? Value is constituted in every object by its possession of two characteristics: 1st, that it is socially useful; 2nd, that it costs some labour or trouble to procure it. No commodity lacks value which possesses both of these characteristics; and no commodity has

value which lacks either of them. Now there are two kinds of commodities. Some may be produced to an indefinite amount by means of labour, and since all who desire them can obtain them at any time for the labour they cost, their social desirableness, their social utility, has no influence on their value, which, therefore, always stands in the ratio of their cost of production alone. Other classes of commodities cannot be in this way indefinitely multiplied by labour; their quantity is strictly limited by natural or other causes; those who desire them cannot get them for the mere labour of producing them; and the value of commodities of this sort will consequently always stand in excess of their relative cost of production, and will be really determined by their relative social utility. In fact, so far from the labour required for their production being any guide to their value, it is their value that will determine the amount of labour which will be ventured in their production. A single word may be added in explanation of the conception of social utility. Of course a commodity which is of no use to any one but its owner has no economic value, unless it happens to get lost, and, in any case, it is of no consequence in the present question. The social utility of a commodity is its capacity to satisfy the wants of others than the possessor, and it turns on two considerations: 1st, the importance of the want the commodity satisfies, and, 2nd, the number of persons who share the want. All commodities which derive a value from their rarity or their special excellence belong to this latter class, and the vice of Marx's theory of value is simply this, that he takes a law which is true of the first class of commodities only to be true of all classes of them.

2. *Wages.* Having concluded by the vicious argument now explained that all value is the creation of the personal labour of the workman — is but the registered duration of exertion of his labouring powers — Marx next proceeds to show that, as things at present exist, the value of these labouring powers themselves is fixed not by what they create but by what is necessary to create or at least renovate them. The rate of wages, economists have taught, is determined by the cost of the production of labouring powers, and that is identical with the cost of maintaining the labourer in working vigour. Marx accepts the usual explanations of the elasticity of this standard of cost of subsistence. It includes, of course, the maintenance of the labourer's family as well as his own, because he will die some day, and the permanent reproduction of powers of labour requires the birth of fresh hands to succeed him. It must also cover the expenses of training and apprenticeship, and Marx would probably agree to add, though he does not actually do so, a superannuation allowance for old age. It contains, too, a variable historical element, differs with climate and country, and is, in fact, just the customary standard of living among free labourers of the time and place. The value of a commodity is the time of labour required to deliver it in *normal goodness*, and to preserve the powers of labour in normal goodness a definite quantity of provisions and comforts is necessary according to time, country, and customs. The part of the labouring day required to produce this definite quantity of provisions and comforts for the use of the day may be called the *necessary time of labour* — the time during which the workman produces what is necessary for keeping him in existence — and the value created in this season may be called *necessary value.* But

the workman's physical powers may hold on labouring longer than this, and the rest of his working day may accordingly be called *surplus time of labour*, and the value created in it *surplus value*. This surplus value may be created or increased in two ways: either by reducing or cheapening the labourer's subsistence, *i.e.*, by shortening the term of necessary labour; or by prolonging the length of the working day, *i.e.*, by increasing the term of surplus labour. There are limits indeed within which this kind of action must stop. The quantity of means of life cannot be reduced below the minimum that is physically indispensable to sustain the labourer for the day, and the term of labour cannot be stretched beyond the labourer's capacity of physical endurance. But within these limits may be played an important rôle, and the secret of surplus value lies in the simple plan of giving the labourer as little as he is able to live on, and working him as long as he is able to stand. A labourer works 12 hours a day because he cannot work longer and work permanently and well, and he gets three shillings a day of wages, because three shillings will buy him the necessities he requires. In six hours' labour he will create three shillings' worth of value, and he works the other six hours for nothing, creating three shillings' worth of surplus value for the master who advances him his wages. It is from these causes that we come on the present system of things to the singular result that powers of labour which create six shillings a day are themselves worth only three shillings a day. This absurd conclusion, says Marx, could never have held ground for an hour, had it not been hid and disguised by the practice of paying wages in money. This makes it seem as if the labourer were paid for the whole day when he is only paid for the half. Under

the old system of feudal servitude there were no such disguises. The labourer wrought for his master one day, and for himself the other five, and there was no make-believe as if he were working for himself all the time. But the wages system gives to surplus labour that is really unpaid the false appearance of being paid. That is the mystery of iniquity of the whole system, the source of all prevailing legal conceptions of the relation of employer and employed, and of all the illusions about industrial freedom. The wages system is the lever of the labourer's exploitation, because it enables the capitalist to appropriate the entire surplus value created by the labourer — *i.e.*, the value he creates over and above what is necessary to recruit his labouring powers withal.

Now surplus value, as we have seen, is of two kinds, absolute and relative. Absolute surplus value is got by lengthening the term of surplus labour; relative surplus value by shortening the term of necessary labour, which is chiefly done by inventions that cheapen the necessaries of life. The consideration of the first of these points leads Marx into a discussion of the normal length of the day of labour; and the consideration of the second into a discussion of the effects of inventions and machinery on the condition of the working classes. We shall follow him on these points in their order.

3. *Normal day of labour.* There is a normal length of the day of labour, and it ought to be ascertained and fixed by law. Some bounds are set to it by nature. There is a minimum length, for example, beneath which it cannot fall; that minimal limit is the time required to create an equivalent to the labourer's living, but as under the capitalistic system the capitalist has also to be supported out of it, it can never be actually shortened

to this minimum. There is also a maximum length above which it cannot rise, and this upper limit is fixed by two sorts of considerations, one physical, the other moral. 1st. *Physical limits.* These are set by the physical endurance of the labourer. The day of labour cannot be protracted beyond the term within which the labourer can go on from day to day in normal working condition to the end of his normal labouring career. This is always looked to with respect to a horse. He cannot be wrought more than eight hours a day regularly without injury. 2nd. *Moral limits.* The labourer needs time (which the horse does not, or he would perhaps get it) for political, intellectual, and social wants, according to the degree required by society at the time. Between the maximum and minimum limit there is, however, considerable play-room, and therefore we find labouring days prevailing of very different length, 8 hours, 10, 12, 14, 16, and even 18 hours. There is no principle in the existing industrial economy which fixes the length of the day; it must be fixed by law on a sound view of the requirements of the case. Marx pitches upon eight hours as the best limit, because it affords a security for the permanent physical efficiency of the labourer, and gives him leisure for satisfying those intellectual and social wants which are becoming every day more largely imperative. He makes no use of the reason often urged for the eight hours day, that the increased intelligence it would tend to cultivate in the working class would in many ways conduce to such an increase of production as would justify the shorter term of work. But he is very strong for the necessity of having it fixed by law, and points out that even then employers will need to be carefully watched or they will find ways and means of extending the day in spite of the law. When the

day was fixed in England at ten hours in some branches of industry, some masters gained an extra quarter or half-hour by taking five minutes off each meal time, and the profit made in these five minutes was often very considerable. He mentions a manufacturer who said to him, "If you allow me ten minutes extra time every day you put £1,000 a year into my pocket," and he says that is a good demonstration of the origin of surplus value, for how much of this £1,000 would be given to the man whose extra ten minutes' labour had made it? Marx enters very fully into the history of English factory legislation, acknowledges the great benefit it has conferred both upon the labouring class and the manufacturers, and says that since the Act of 1850 the cotton industry has become the model industry of the country. He prefers, too, the gradual course of English legislation on the subject to the revolutionary method adopted by France in 1848, and this is worth noticing, because it is a preference we should not have expected. In England, he says, restrictions were first put upon the labour of children, then of women, then of men; first in one industry, then in another, then in a third, and for many years without any declaration of principle at all. In France, on the other hand, a twelve hours Act was introduced right off as a principle over the whole country, and in every branch of production at the same time. And what is the result? In England the gain has been permanent, in France not.

4. *Effects of machinery, and the growth of fixed capital on the working classes.* The whole progress of industrial improvements is a history of fresh creations of relative surplus value, and always for the benefit of the capi-

talist who advances the money. Everything that economises labour or that adds positively to its productivity, contracts the labourer's own part of the working day and prolongs the master's. Division and subdivision of labour, combination, co-operation, organisation, inventions, machinery, are all "on the one hand elements of historical progress and development in the economic civilisation of society, but on the other are all means of civilised and refined exploitation of the labourer." They not only increase social wealth at his expense, but in many cases they do him positive injury. These improvements have cost capitalists nothing, though capitalists derive the whole advantage of them. Subdivision, combination, organisation, are simply natural resources of social labour, and natural resources of any kind are not produced by the capitalist. Inventions, again, are the work of science, and science costs the capitalist nothing. Labour, association, science — these are the sources of the increase; capital is nowhere, yet it sits and seizes the whole. Machinery, of course, is capital, but then Marx will not admit that it creates any value, and contends that it merely transfers to the product the value it loses by tear and wear in the process of production. The general effect of industrial improvements, according to Marx, is — 1st, to reduce wages; 2nd, to prolong the day of labour; 3rd, to overwork one-half of the working class; 4th, to throw the rest out of employ; and, 5th, to concentrate the whole surplus return in the hands of a few capitalists who make their gains by exploiting the labourers, and increase them by exploiting one another. This last point we need not further explain, and the third and fourth we shall unfold under the separate heads of Piecework and Relative Over-population. The remaining two I shall take

up now, and state Marx's views about a little more fully.

(*a*). Industrial improvements tend to reduce wages. They do so, says Marx, through first mutilating the labourer intellectually and coporeally. As a result of subdivision of labour, workmen are rapidly becoming mere one-sided specialists. Headwork is being separated more and more from handwork in the labourer's occupation, and this differentiation of function leads to a hierarchy of wages which affords great opportunity for exploiting the labourer. Muscular power is more easily dispensed with than formerly, and so the cheaper labour of women and children is largely superseding the dearer labour of men. If this goes on much further the manufacturer will get the labour of a whole family for the wages he used to pay to its head alone, and the labourer will be converted into a slave-dealer who sells his wife and children instead of his own labour. That this kind of slavery will find no sort of resistance from either master or labourer, is to Marx's mind placed beyond doubt by the fact that though the labour of children under 13 years of age is prohibited in English factories, advertisements appear in public prints for "children that can pass for 13."

(*b*). Industrial improvements tend to lengthen the day of labour. Machinery can go on for ever, and it is the interest of the capitalist to make it do so. He finds, moreover, a ready and specious pretext in the greater lightness of the work as compared with hand labour, for keeping the labourer employed beyond the normal limits of human endurance. Capitalists always complain that long hours are a necessity in consequence of the increasing extent of fixed capital which cannot otherwise be made to pay. But this is a mistake on

their part, says Marx. For, according to the factory inspectors' reports, shortening the day of labour to 10 hours has increased production and not diminished it, and the explanation is that the men can work harder while they are at it, if the duration of their labour is shortened. Shortening the day of labour has not only increased production, but actually increased wages. Mr. Redgrave, in his Report for 1860, says that during the period 1839–1859 wages rose in the branches of industry that adopted the ten hours' principle, and fell in trades where men wrought 14 and 15 hours a day. Small wages and long hours are always found to go together, because the same causes which enable the employer to reduce wages enable him to lengthen the labouring day.

5. *Piecework.* Industrial improvements tend, Marx maintains, to overwork, to undue intensification of labour, for machinery can go at almost any rate all day and all night, and labourers are compelled by various expedients to work up to it. Among these expedients none is more strongly condemned by Marx than piecework, as encouraging over-exertion and overtime. He says that though known so early as the 14th century piecework only came into vogue with the large system of production, to which he thinks it the most suitable form of payment. He states (though this is not quite accurate) that it is the only form of payment in use in workshops that are under the factory acts, because in these workshops the day of labour cannot be lengthened, and the capitalist has no other way open to him of exploiting the labourer but by increasing the intensity of the labour. He ridicules the idea of a writer who thought "the system of piecework marked an epoch in

the history of the working man, because it stood halfway between the position of a mere wage labourer depending on the will of the capitalist and the position of the co-operative artisan who in the not distant future promises to combine the artisan and the capitalist in his own person." Better far, he holds, for the labourer to stick to day's wages, for he can be much more easily and extensively exploited by the piece system. He contends that experience has proved this in trades like the compositors and ship carpenters, in which both systems of payment are in operation side by side, and he cites from the factory inspectors' reports of 1860 the case of a factory employing 400 hands, 200 paid by the piece and 200 by the day. The piece hands had an interest in working overtime, and the day hands were obliged to follow suit without receiving a farthing extra for the additional hour or half-hour. This might be stopped by furthur legislation, but then Marx holds that the system of piece payment is so prone to abuse that when one door of exploitation shuts another only opens, and legislation will always remain ineffectual. Every peculiarity of the system furnishes opportunity either for reducing wages or increasing work. On the piece system the worth of labour is determined by the worth of the work it does, and unless the work possess average excellence the stipulated price is withheld. There is thus always a specious pretext ready to the employer's hand for making deductions from wages on the ground that the work done did not come up to the stipulated standard. Then again, it furnishes the employer with a definite measure for the intensity of labour. He judges from the results of piecework how much time it generally takes to produce a particular piece, and labourers who do not possess the average productivity

are turned off on the ground that they are unable to do a minimum day's work. Even those who are kept on get lower average wages than they would on the day system. The superior workman earns indeed better pay working by the piece, but the general body do not. The superior workman can afford to take a smaller price per piece than the others, because he turns out a greater number of pieces in the same time, and the employer fixes, from the case of the superior workman, a standard of payment which is injurious to the rest. In the end a change from day's wages to piece wages will thus be found to have merely resulted in the average labourer working harder for the same money. Marx, however, admits that when a definite scale of prices has been in long use and has become fixed as a custom, there are so many difficulties to its reduction that employers are obliged, when they seek to reduce it, to resort to violent methods of transforming it into time wages again. He gives an example of this from the strike of the Coventry ribbon-weavers in 1860, in resistance to a transformation of this kind.

These are only some of the evils Marx lays at the door of piecework; he has many more charges. From rendering the superintendence of labour unnecessary, it leads to abuses like the sub-contracts known in this country as "the sweating system," or what is a variety of the same, to contracts of the employer with his manager, whereby the latter becomes responsible for the whole work, and employs and pays the men. From making it the pecuniary interest of the labourer to work overtime, piecework induces him to overstrain his powers, and both to transgress the legal or normal limits of the day of labour, and to raise or exceed the normal degree of the intensity of labour. Marx, quoting from

Dunning, says that it was customary in the engineering trade in London for employers to engage a foreman of exceptional physical powers, and pay him an extra salary per quarter to keep the men up to his own pace; an expedient which, he adds, is actually recommended to farmers by Morton in his "Agricultural Encyclopædia." He attributes to piecework, especially in its operation on women and children, the degeneration of the labouring class in the potteries, which is shown in the Report of the Commission on the Employment of Children. But while Marx thus objects to piecework because it leads to overwork, he objects to it also because it leads to underwork. It enables employers to engage more hands than they require, when they entertain perhaps only an imaginary expectation of work, for they know they run no risk, since paying by the piece they pay only for what is done. The men are thus imperfectly employed and insufficiently paid.

6. *Relative Over-population.* One of the worst features of modern industrial development is the vast number of labourers whom it constantly leaves out of employ. This Marx calls relative over-population. Of absolute over-population he has no fear. He is not a Malthusian. He holds that there is no population law applicable to all countries and times alike. Social organisms differ from one another as animals do and plants; they have different laws and conditions. Every country and age has its own law of population. A constant and increasing over-population is a characteristic of the present age; it is a necessary consequence of the existing method of carrying on industry; but it is nothing in the nature of an absolute over-growth; it is only, to Marx's thinking, a relative superfluity. There is plenty of work for all,

more than plenty. If those who have employment were not allowed to be overwrought, and if work were to-morrow to be limited to its due amount for every one according to age and sex, the existing working population would be quite insufficient to carry on the national production to its present extent. Even in England, where the technical means of saving labour are enormous, this could not be done except by converting most of our present "unproductive" labourers into productive. There is therefore, Marx conceives, no reason why any one should be out of work; but at present, what with the introduction of new machinery, the industrial cycles, the commercial crises, the changes of fashion, the transitions of every kind, we have always, besides the industrial army in actual service, a vast industrial reserve who are either entirely out of employment or very inadequately employed. This relative over-population is an inevitable consequence of the capitalistic management of industry, which first compels one-half of the labouring community to do the work of all, and then makes use of the redundancy of labour so created to compel the working half to take less pay. Low wages spring from the excessive competition among labourers caused by this relative over-population. "Rises and falls in the rate of wages are universally regulated by extensions and contractions in the industrial reserve army which correspond with changes in the industrial cycle. They are not determined by changes in the absolute number of the labouring population, but through changes in the relative distribution of the working class into active army and reserve army — through increase or decrease in the relative numbers of the surplus population — through the degree in which it is at one time absorbed and at another

dismissed." The fluctuations in the rate of wages are thus traced to expansions or contractions of capital, and not to variation in the state of population. Marx ridicules the theory of these fluctuations given by political economists, that high wages lead to their own fall by encouraging marriages, and so in the end increasing the supply of labour, and that low wages lead to their own rise by discouraging marriages and reducing the supply of labour. That, says Marx, is very fine, but before high wages could have produced a redundant population (which would take eighteen years to grow up), wages would, with modern industrial cycles have been up, down, and up again through ordinary fluctuations of trade.

Relative over-population is of three kinds, current, latent, and stagnant. Current over-population is what comes from incidental causes, the ordinary changes that take place in the every day course of industry. A trade is slack this season and brisk the next, has perhaps its own seasons, like house-painting in spring, posting in summer. Or one trade may from temporary reasons be busy, while others are depressed. In the last half-year of 1860 there were 90,000 labourers in London out of employment, and yet the factory inspectors report that at that very time much machinery was standing idle for want of hands. This comes from the labourer being mutilated, — that is, specialised — under modern subdivision of labour, and fit for only a single narrow craft. Another current cause of over-population is that under the stress of modern labour the workman is old before his years, and while still in middle life becomes unfit for full work, and passes into the reserve. Marx says this is the real reason for the prevalence of early marriages among the working class. They are generally

condemned for being improvident, but they are really resorted to from considerations of providence, for working men foresee that they will be prematurely disabled for work, and desire, when that day comes, to have grown-up children about them who shall be able to support them. Other current causes are new inventions and new fashions, which always throw numbers out of work. Latent over-population is what springs from causes whose operation is long and slow. The best example of it is the case of the agricultural labourers. They are being gradually superseded by machinery, and as they lose work in the country they gather to the towns to swell the reserve army there. A great part of the farm servants are always in this process of transition, a few here, and a few there, and a few everywhere. The constancy of this flow indicates a latent over-population in the rural districts, and that is the cause of the low wages of agricultural labourers. By stagnant over-population Marx means that which is shown in certain branches of industry, where none of the workmen are thrown back entirely into the reserve, but none get full regular employment.

CHAPTER IV.

THE FEDERALISM OF CARL MARLO.

MARLO and Rodbertus are sometimes spoken of as the precursors of German socialism. This, however, is a mistake. The socialism which now exists appeared in Germany among the Young Hegelians forty years ago, before the writings of either of these economists were published, and their writings have had very little influence on the present movement. Rodbertus, it is true, communicated a decided impulse to Lassalle, both by his published letter to Von Kirchmann in 1853, and by personal correspondence subsequently. He was a landed proprietor of strongly liberal opinions, who was appointed Minister of Agriculture in Prussia in 1848, but after a brief period of office retired to his estates, and devoted himself to economical and historical study. He took a very decided view of the defects of the existing industrial system, and held in particular that, in accordance with Ricardo's law of necessary wages, the labourer's income could never rise permanently above the level of supplying him with a bare subsistence, and consequently that, while his labour was always increasing in productivity, through mechanical inventions and other means, the share which he obtained of the product was always decreasing. What was required was simply to get this tendency counteracted, and to devise arrangements by which the labourer's share in the prod-

uct might increase proportionally with the product itself, for otherwise the whole working population would be left behind by the general advancement of society. The remedy, he conceives, must lie in the line of a fresh contraction of the sphere of private property. That sphere had been again and again contracted in the interests of personal development, and it must be so once more. And the contraction that was now necessary was to leave nothing whatever in the nature of private property except income. This proposal is substantially identical with the scheme of the socialist; it is just the nationalisation of all permanent stock; but then he holds that it could not be satisfactorily carried out in less than five hundred years. Rodbertus's writings have never been widely known, but they attracted some attention among the German working class, and he was invited, along with Lassalle and Lothar Bucher, to address the Working Men's Congress in Leipzig in 1863. He promised to come and speak on the law of necessary wages, but the Congress was never held in consequence of the action of Lassalle in precipitating his own movement, and from that movement Rodbertus held entirely aloof. He agreed with Lassalle's complaints against the present order of things, but he disapproved of his plan of reform. He did not think the scheme of founding productive associations on State credit either feasible or desirable, and he would still retain the system of wages, though with certain improvements introduced by law. He thought, moreover, that Lassalle erred gravely in making the socialists a political party, and that they should have remained a purely economical one. Besides, he looked on it as mere folly to expect, with Lassalle, the accomplishment in thirty years of changes which, as we have seen, he believed five centuries little enough time to evolve.

Rodbertus may thus be said to have had some relations with the present movement, but Marlo stands completely apart from it; and his large and important work, "Untersuchungen über die Organisation der Arbeit, oder System der Welt-ökonomie," published at Kassel in 1850–5 — though original, learned, and lucid — has remained so absolutely unknown that none of the lexicons mention his name, and even an economist like Schaeffle — who was the first to draw public attention to it, and has evidently been considerably influenced by it himself — had never read it till he was writing his own work on socialism (1870). But though Marlo cannot be said to have contributed in any respect to the present socialistic movement, his work deserves attentive consideration as a plea for fundamental social reform, advanced by a detached and independent thinker, who has given years of patient study to the phenomena of modern economical life, and holds them to indicate the presence of deep-seated and wide-spread social disease. Carl Marlo is the *nom de plume* of a German professor of technology named Winkelblech, and he gives us in the preface to his second volume, a touching account of how he came to apply himself to social questions. In 1843 he made a tour of investigation through Northern Europe in connection with a technological work he was engaged in writing, and visited among other places the blue factory of Modum, in Norway, where he remained some days, charmed with the scenery, which he thought equal to that of the finest valleys of the Alps. One morning he went up to a neighbouring height, whence he could see the whole valley, and was calmly enjoying the view when a German artisan came to ask him to undertake some commission to friends in the fatherland. They engaged in

conversation. The artisan went over his experiences, and repeated all the privations he and his fellows had to endure. His tale of sorrow, so alien apparently to the ravishing beauty around, made a profound impression on Winkelblech, and altered the purpose and work of his life. "What is the reason," he asked himself, "that the paradise before my eyes conceals so much misery? Is nature the source of all this suffering, or is it man that is to blame for it? I had before, like so many men of science, looked while in workshops, only on the forges and the machinery, not on the men — on the products of human industry, and not on the producers, and I was quite a stranger to this great empire of misery that lies at the foundation of our boasted civilisation. The touching words of the artisan made me feel the nullity of my scientific work and life in its whole extent, and from that moment I resolved to make the sufferings of our race, with their causes and remedies, the subject of my studies." He pursued these studies with the greatest industry for several years, and found the extent of men's sufferings to be greatly beyond his expectation. Poverty prevailed everywhere — among labourers and among employers, too — with peoples of the highest industrial development, and with peoples of the lowest — in luxurious cities, and in the huts of villagers — in the rich plains of Lombardy, no less than the sterile wilds of Scandinavia. He arrived at the conclusion that the causes of all this lay not in nature, but in the fact that human institutions rested on false economical foundations, and he held the only possible remedy to consist in improving these institutions. He became convinced that technical perfection of production, however great, would never be able to extinguish poverty or lead to the diffusion of general

comfort, and that civilisation was now come to a stage in its development at which further progress depended entirely on the advancement of political economy. Political economy was, therefore, for our time the most important of all sciences, and Winkelblech now determined to give himself thoroughly to its study. Hitherto he had not done so. "During the progress of my investigations, he says, the doctrines of economists, as well as the theories of socialists, remained almost unknown to me except in name, for I intentionally abstained from seeking any knowledge of either, in order that I might keep myself as free as possible from extraneous influences. It was only after I arrived at the results described that I set myself to a study of economical literature, and came to perceive that the substance of my thoughts, though many of them were not new, and stood in need of correction, departed completely from the accepted principles of the science." He reached the conclusion that there prevailed everywhere the symptoms of a universal social disease, and that political economy was the only physician that could cure it; but that the prevailing system of economy was quite incompetent for that task, and that a new system was urgently and indispensably required. To set forth such a system is the aim of his book. He derides Proudhon's idea of social reforms coming of themselves without design, and argues strongly that no reform worthy the name can ever be expected except as the fruit of economical researches. He agrees with the socialists in so far as they seek to devise a new economical system, but he thinks they make a defective diagnosis of the disease, and propose an utterly inadequate remedy. He counts the mentirely mistaken in attributing all existing evils to the unequal distribution of

wealth, a deficiency of production being, in his opinion, a much more important source of misery than any error of distribution. In fact, his fundamental objection to the existing distribution is that it is not the distribution which conduces to the highest production, or to the most fruitful use of the natural resources at the command of society. He differs from the German socialists in always looking at the question from the stand-point of society in general, rather than from that of the proletariate alone, and he maintains that a new organisation of labour is even more necessary for the interest of the capitalists than for that of the labourers, because he believes the present system will infallibly lead, unless amended, to the overthrow of the capitalist class, and the introduction of communism. His point of view is moreover purely economical and scientific, entirely free from all partisan admixture, and while he declares himself to be a zealous member of the republican party, he says that he purposely abstains from intervention in politics because he regards the political question as one of very minor rank, and holds that, with sound social arrangements, people could live more happily under the Russian autocracy than, with unsound ones, they could do under the French republic. The organisation of labour is, in his opinion, something quite independent of the form of the State, and its final aim ought to be to produce the amount of wealth necessary to diffuse universal comfort among the whole population without robbing the middle classes. These characteristics sufficiently separate him from the socialist democrats of the present day.

His book was published gradually in parts, sometimes after long intervals, between 1848 and 1856, when it was finally interrupted by his death. It remains, there-

fore, incomplete. It was to have consisted of three parts; 1st, a historical part, containing an exposition and estimate of the various economical systems; 2nd, an elementary or doctrinal part, containing an exposition of the principles of economical science; and, 3rd, a practical part explaining his plan for the organisation of labour. The first two parts are all we possess; the third, and most important, never appeared, which must be regretted by all who recognise the evidences of original power and singular candour that the other parts present.

Marlo's account of the social problem is that it arises from the fact that our present industrial organisation is not in correspondence with the idea of right which is recognised by the public opinion of the time. That idea of right is the Christian one, which takes its stand on the dignity of manhood, and declares that all men, simply because they are men, have equal rights to the greatest possible happiness. Up till the French Revolution, the idea of right that prevailed was the heathen one, which might be called the divine right of the stronger. The weak might be made a slave without wrong; he might be treated as a thing, and not as a person or an equal, who had the same right with his master or his feudal superior to the greatest possible enjoyment. Nature belonged to the conqueror, and his dominion was transmitted by privilege. Inequality of right was therefore the characteristic of this period; Marlo calls it monopolism. But at the French Revolution the Christian idea of right rose to its due ascendancy over opinion, and the sentiments of love and justice began to assume a control over public arrangements. Do as you would be done by, became a rule for politics as well as for private life, and the weak were

supported against the strong. Equality of right was the mark of the new period; Marlo calls it panpolism. This idea could not be realised before the present day, because it had never before taken possession of the public mind, but it has done this now so thoroughly that it cannot be expected to rest till it has realised itself in every direction in all the practical applications of which it is susceptible. The final arbiter of institutions is always the conception of right prevailing at the time; contemporary industrial arrangements are out of harmony with the contemporary conception of right; and stability cannot be looked for until this disturbance is completely adjusted.

Now the first attempts that society made to effect this adjustment were not unnaturally attended with imperfection. In the warmth of their recoil from the evils of monopolism, men ran into extreme and distorted embodiments of the opposite principle, and they ran contrary ways. These contrary ways are Liberalism and Communism. Liberalism fixed its attention mainly on the artificial restrictions, the privileges, the services, the legal bonds by which monopoly and inequality were kept up, and it thought a perfect state of society would be brought about if only every chain were snapped and every fetter stripped away. It conceived the road to the greatest possible happiness for every man, was the greatest possible freedom; it idolised the principle of abstract liberty, and it fancied if evil did not disappear, it was always because something still remained that needed emancipation. Communism, on the other hand, kept its eyes on the inequalities of monopolistic society; imagined the true road to the greatest possible happiness was the greatest possible equality; that all ills would vanish as soon as things

were levelled enough; in short, it idolised the principle of abstract equality. Modern Liberalism and modern Communism are therefore of equal birth; they have the same historical origin in the triumph of the principle of equality of right in 1789; they are only different modes of attempting to reduce that principle to practice; and Liberalism happens to be the more widely disseminated of the two, not because it represents that principle better, but merely because being more purely negative than the other, it was easier of introduction, and so got the start of Communism in the struggle of existence. According to Marlo, they are both equally bad representatives of the principle, and their chief good lies in their mutual criticism, by means of which they prepare the way for the true system, the system of Federalism, which will be presently explained. The history of revolution, he says, begins in the victory of Liberalism and Communism together over Monopolism; it proceeds by the conflict of the victors with one another, and it ends in the final triumph of Federalism over both.

Marlo next criticises the two systems of Liberalism and Communism with considerable acuteness. Both the one and the other are utopias; they are absorbed in realising an abstract principle, and they, as a matter of fact, produce exactly the opposite of what they aim at. Communism seeks to reach the greatest possible happiness by introducing first the greatest possible equality. But what is equality? Is it equality when each man gets a coat of the same size, or is it not rather when each man gets a coat that fits him? Some communists would accept the former alternative. They would measure off the same length to the dwarf and the giant, to the ploughman and the judge, to the family of three

and the family of thirteen. But this would be clearly not equality, but only inequality of a more vicious and vexatious kind. Most communists, however, prefer the second alternative, and assign to every man according to his needs, to every man the coat that fits him. But then we must first have the cloth, and that is only got by labour, and every labourer ought if possible to produce his own coat. The motive to labour, however, is weakened on the Communistic system, and if those who work less are to be treated exactly like those who work more, then that would be no abolition of monopoly, but merely the invention of a new monopoly, the monopoly of indolence and incapacity. The skilful and industrious would be exploited by the stupid and lazy. Besides, production would for the same reason, insufficient inducement to labour, be diminished, progress would be stopped, and therefore the average of human happiness would decline. Communism thus conducts to the opposite of everything it seeks. It seeks equality, it ends in inequality; it seeks the abolition of monopoly, it creates a new monopoly; it seeks to increase happiness, it actually diminishes it. It is a pure utopia, and why? Because it misunderstands its own principle. Equality does not mean giving equal things to every man; it means merely affording the greatest possible playroom for the development of every personality, and that is exactly the principle of freedom. The greatest possible equality and the greatest possible freedom can only be realised together; they must spring out of the same conditions, and a system of right which shall adjust these conditions is just what is now wanted.

Liberalism is a failure from like causes. It seeks to realise happiness by freedom; it realises neither. For it mistakes the nature of freedom, as the Communists

mistake the nature of equality. It takes freedom to be the power of doing what one likes, instead of being the power of doing what is right. Its whole bent is to exempt as much as possible of life from authoritative restraint, and to give as much scope as exigencies will allow to the play of individuality. It is based on no positive conception of right whatever, and looks on the State as an alien whose interference is something exceptional, only justified on occasional grounds of public necessity or general utility. It fails to see that there are really no affairs in a community which are out of relation to the general wellbeing, and destitute of political significance. Nothing demonstrates the error of this better than the effects of the Liberal *régime* itself. For half a century the industrial concerns of the people have been treated as matters of purely private interest, and this policy has resulted in a political as well as economical revolution. Industrial freedom, which has produced capitalism in the economical field, has resulted in political life in the ascendency of a new class, a plutocracy, "the worst masters," said De Tocqueville, "the world has yet seen, though their reign will be short." The change which was effected by the legislation of the Revolution was not the development of a fourth estate, as is sometimes said; it was really nothing more than the creation of a money aristocracy, and the putting of them in the place of the old hereditary nobility. The system of industrial right that happens to prevail, therefore, so far from being, as Liberals fancy, outside the sphere of political interest, is in truth the very element on which the distribution of political power, in the last analysis, depends. Nothing is more political than the social question. Liberals think slight of that question, but it is, says

Marlo, the real question of the day, and it is neither more nor less than the question of the existence or abolition of Liberalism, the question of the maintenance or subversion of the principle of industrial freedom, the question of the ascendency or overthrow of a money aristocracy. The fight of our age is a fight against a plutocracy bred of Liberalism. It is not, as some represent it, a struggle of labourers against employers; it is a joint struggle of labourers and lower *bourgeoisie* against the higher *bourgeoisie*, a struggle of those who work and produce against those who luxuriate idly on the fruits of others' labour. As compared with this question, constitutional questions are of very minor importance, for no matter whether the State be monarchy or republic, if the system of industrial right that prevails in it be the system of industrial freedom, the real power of the country will be in the hands of the capitalist class. He who fails to see this, says Marlo, fails to understand the spirit of his time. It is always the national idea of right that governs both in social and political relations, and as long as the national idea of right is that of Liberalism, we shall continue to have capitalism and a plutocracy. It is the mind that builds the body up, and it is only when a new system of right has taken as complete possession of the national consciousness as Liberalism did in 1789, that the present social conflict will cease and a better order of things come in.

From want of such a system of right — from want even of seeing the necessity for it, Liberalism has defeated its own purpose. It sought to abolish monopoly; it has only substituted for the old monopoly of birth the more grievous monopoly of wealth. It sought to establish freedom; it has only established plutocratic

tyranny. It has erred because it took for freedom an abstraction of its own and tried to realise that, just as Communism erred by taking for equality an abstraction of its own and trying to realise that. The most perfect state of freedom is not reached when every man has the power of doing what he likes, any more than the most perfect state of equality is reached when every man has equal things with every other; but the greatest possible freedom is attained in a condition of society where every man has the greatest possible playroom for the development of his personality, and the greatest possible equality is attained in exactly the same state of things. Real freedom and real equality are in fact identical. Every right contains from the first a social element as well as an individual element, and it cannot be realised in the actual world without observing a due adjustment between these two elements. Such an adjustment can only be discovered by a critical examination of the economical constitution of society, and must then be expressed in a distinct system of industrial right, which imposes on individual action its just limits. True liberty is liberty within these limits; and the true right of property is a right of property under the same conditions. The fundamental fault of Liberalism, the cause of its failure, is simply that it goes to work without a sound theory of right, or rather perhaps without any clear theory at all, and merely aims at letting every one do as he likes, with the understanding that the State can always be called in to correct accidents and excesses.

This defect is what Federalism claims to supply. It claims to be the only theory that abandons abstractions and keeps closely to the nature of things, and therefore to be the only theory that is able to realise even

approximately the Christian principle of equality of right. The name furnishes no very precise clue to the solution it designates, and it has no reference to the federative form of State, for which Marlo expressly disavows having any partiality. He has chosen the word merely to indicate the fact that society is an organic confederation of many different kinds of associations — families, churches, academies, mercantile companies, and so on; that association is not only a natural form, but the natural form in which man's activity tends to be carried on; and that in any sound system of industrial right this must be recognised by an extension of the collective form of property and the co-operative form of production. Communism, says Marlo, is mechanical, Liberalism is atomistic, but Federalism is organic. When he distinguishes his theory from communism, it must be remembered that it is from the communism which he has criticised, and which he would prefer to denominate Equalism; it is from the communism of Baboeuf, which would out of hand give every man according to his needs, and would consequently, through impairing the motives to industry, leave those needs themselves in the long run less satisfactorily provided for than they are now. But his system is nearly identical with the communism of the Young Hegelians of his own time — that is, with the German socialism of the present day — although he arrived at it in entire independence of their agitations, and builds it on deductions peculiar to himself. Like them, he asks for the compulsory transformation of land and the instruments of production from private property into collective property; like them, he asks for this on grounds of social justice, as the necessary mechanism for giving effect to positive rights that are set aside

under the present system; and he says himself, "If you ask the question, how is the democratic social republic related to Federalism, the most suitable answer is, as the riddle to its solution."

He starts from the position that all men have equally the right to property. Not merely in the sense, which is commonly acknowledged, that they have the right to property if they have the opportunity of acquiring it; but in the further significance, that they have a right to the opportunity. They are in fact born proprietors — *de jure* at least, and they are so for two reasons. First, God has made them persons, and not things, and they have, therefore, all equally a natural right to their amplest personal development. If society interferes with this liberty of personal development — if it suffers any of its members to become the slaves of others, for example — it robs them of original rights which belong to them by the mere fact of their manhood. But, secondly, property, resources of some sort, being indispensable means of personal development, God, who has imposed the end, has supplied the means. He has given nature, the earth and the lower creation, into the dominion of man, not of this or that man, or class of men, but of mankind, and consequently every man has, equally with every other, a right to participate in the dominion of nature, a right to use its bounty to the extent required for his personal development. No appropriation of nature can be just which excludes this possibility and robs any man of this natural right. It is, therefore, wrong to allow to any single person, or to any limited number of persons, an absolute dominion over natural resources in which everybody else has, by nature, a right to some extent to share. He who should have complete and exclusive lordship over all nature,

would be lord and master of all his fellowmen, and in a period after natural agents are all appropriated the system of complete and absolute property leaves the new comers at the mercy of those who are already in possession. They can only work if the latter give them the productive instruments; they can only reap from their work so much of its fruits as the latter are pleased to leave with them; and they must perish altogether unless the latter employ them. They are slaves, they are beggars; and yet they came into the world with the rights of a proprietor, of which they can never be divested. Nature laid covers for them as well as for the rest, and a system of property is essentially unjust which ousts them from their seat at her table. The common theory of property starts from the premiss, that all men have the right to property, and draws the conclusion, that, therefore, some men have the right to monopolise it. As usually understood, the proprietary right is as much a right of robbery as a right of property, and Proudhon would have been quite correct in describing property as theft, if no better system of property could be devised than the present.

But such a system can be devised; one under which the rights of new comers may be respected without disturbing those of possessors. This can only be done by putting entirely aside the complete and absolute form of property which is in so much favour with Liberalism, and by making the right of property in any actual possession a strictly limited and circumscribed right from the first — the right not to an arbitrary control over a thing, but to a just control over it. So long as property is always thought of as an arbitrary and absolute dominion over a thing, the proprietary right cannot possibly be explained in a way that does not make it a right

given to some to rob others. Why not, therefore, define property from the beginning as subject to limitations, and contrive a new form or system of it, in which these limitations shall for ever receive due recognition, and no man be thereafter denied the opportunity of acquiring as much of the bounty of nature as is necessary for him to carry out his personal development?

That is Marlo's task, and it would have been an easy one, if all goods, if everything that satisfies a human want, had been supplied directly by nature, as air is supplied, without the need of industry to procure it or the power of industry to multiply it. Then the problem would be solved very simply as the earlier communists desired to solve it. Every member of society would be entitled to partake of nature's supplies, as he now does of air, in the measure of his need, and when those supplies ran exhausted, just as when the air became vitiated, society would be entitled, nay obliged, to suppress further propagation. But the question is far from being so simple. Nature only yields her bounties to us after labour; they are only converted into means of life by labour; and they are capable of being vastly multiplied by labour. This element of labour changes the situation of things considerably, and must be allowed a leading rôle in determining a just right and system of property. The only case where a proprietary right can be recognised which is unmodified by this consideration, is the case of those who are unable to labour. They fall back on their original right to a share in the bounty of nature in the measure that their personal development requires; in other words, according to their needs. Their share does not lie waste, though they are unable to work it themselves, and their share belongs to them immediately because they are

persons, and not because they may afterwards become labourers. Marlo recognises, therefore, antecedently to labour the right to existence, and this right he proposes to realise for the weak and disabled by means of a compulsory system of national insurance.

The other natural proprietary rights are consequent in one way or another upon labour. First, there is the right to labour. If every man has a right to a share in the dominion of nature, then every man who is able to labour has a right to obtain the natural resources that are necessary to give him employment according to capacity and trade. No private appropriation of these resources can divest him of his title to get access to them, and if he cannot find work himself, the State is bound to provide it for him in public workshops. Second, every man has a right to the most profitable possible application of labour to natural resources. He has an interest in seeing the common stock put to the best account, and he is wronged in this interest when waste is permitted, when inferior methods are resorted to, or when the distribution of work and materials is ill arranged. Now the best arrangement is when each man is equipped according to the measure and quality of his powers. Nature will be then best worked, and man's personal development will then be best furthered. If such an arrangement cannot be effected on the system of property now in vogue, while it may be under another, it is every man's right to have the former system supplanted by the latter. The most economical form of property is the most just. Third, the next right is a right to an almost unlimited control over the fruits of one's own labour. Not over the means of labour; these can only be justly or economically held by a circumscribed control; but over the fruits of labour; these

ought to be retained as exclusive property, for the simple reason that the natural resources will be so turned to the best account. On any other system of payment the motive to labour is impaired, and the amount of its produce diminished. Distribution by need defeats its own end; the very needs of the community would be less amply satisfied after it than before it. Distribution according to work is the sound economical principle, and therefore the just one. Marlo here leaves room for the play of the hereditary principle and of competition to some extent, and he allows the free choice of occupation on similar grounds. Men will work best in lines their own tastes and powers lead them to. Everything is determined by economical utility, and economical utility is supposed to be at its height when the natural resources of a country are distributed among its inhabitants according to the requirements of their labouring powers.

This condition of things can only be realised, first, if population is regulated; second, if unproductive labour is suppressed; and third, if the means of labour are made common property. The necessity for regulating population comes, of course, from the limitation of the natural resources at society's command. In any community there is a certain normal limit of population — the limit at which all the natural resources are distributed among all the inhabitants according to their powers — and the community will learn when this limit is reached from the number of workmen who are unable to obtain private employment, and are obliged to seek work from the State. Then it can regulate population by various expedients. It may require the possession of a certain amount of fortune as a preliminary condition to marriage, and raise this amount according to necessity. It may encourage emigration. It may forbid marriages

under a fixed age, and to prevent illegitimacy, it might give natural children the same rights as legitimate ones. But Marlo trusts most to the strong preventive check that would be supplied by the power imparted to working men under the Federal *régime* of improving their position.

The same necessity that makes it legitimate, and, indeed, imperative to regulate population, makes it legitimate and imperative also to suppress what Marlo calls unproductive acquisition, *i.e.*, the acquisition by persons who are able to work of any other property than they earn as the fruit of their work; and to suppress likewise all waste of the means of life and enjoyment, such, for example, as is involved in the maintenance of unnecessary horses, dogs, or other animals that only eat up the products of the soil. The obligation to labour and the curtailment of luxury would come into exercise before the restrictions on population, and be more and more rigorously enforced as the normal limit of population was approximated.

But the most important and the most necessary innovation is the conversion of land and the instruments of production into the form of collective property. The form in which property should be held ought to be strictly determined by considerations of economical utility. From such considerations the Liberals themselves have introduced important changes into the system of property; they have abolished fiefs, hereditary tenancies, entail, servitudes, church and village lands, all the peculiarities of monopolistic society, because, as they said, they wished to substitute a good form of property for a bad; and they at least have no right, Marlo thinks, to turn round now on Communists or Federalists for proposing to supersede this good form of property by a

better. They have themselves transformed property by law, and they have transformed it on grounds of economical advantage; they have owned that the economical superiority of a particular form of property imposes a public obligation for its compulsory introduction. They asserted the competency of the State against the monopolists, and they cannot now deny it against the socialists. If the private form of property is best, then let the State maintain it; but if the collective form is best, then the State is bound, even on the principles of Liberals themselves, to introduce it. The question can only be determined by experience of the comparative economical utility of the two. Without offering any detailed proof of his proposition from experience Marlo then affirms that the most advantageous form of property is reached when the instruments of production are the collective property of associations, and the instruments of enjoyment (except wells, bridges, and the like) are the property of individuals. Each man's house would still be his castle; his house and the fulness thereof would still belong to him; but outside of it he could acquire no individual possessions. Of land and the means of labour, he should be joint-proprietor with others, or rather joint-tenant with them under the Crown. Industrial property would be held in common by the associations that worked it, and these associations would be organised by authority with distinct charters of powers and functions.

Marlo thus arrives at the same practical scheme as Marx, though by a slightly different road. Marx builds his claim on Ricardo's theory of value and Ricardo's law of necessary wages. Marlo builds his on man's natural right, as a sharer in the dominion of nature, to the most advantageous exercise of that dominion.

CHAPTER V.

THE SOCIALISTS OF THE CHAIR.

THE Socialists of the Chair have done themselves injustice and sown their course with embarrassing misconceptions by adopting too hastily an infelicitous name. It is more descriptive than most political nicknames, and therefore more liable to mislead. It was first used in 1872 in a pamphlet by Oppenheim, then one of the leaders of the National Liberals, to ridicule a group of young professors of political economy who had begun to show a certain undefined sympathy with the socialist agitations of Lassalle and Von Schweitzer, and to write of the wrongs of the labouring classes and the evils of the existing industrial system with a flow of emotion which was thought to befit their years better than their position. A few months later these young professors called together at Eisenach a Congress of all who shared their general attitude towards that class of questions. In opening this Congress — which was attended by almost every economist of note in Germany, and by a number of the weightiest and most distinguished Liberal politicians — Professor Schmoller employed the name "Socialists of the Chair" to describe himself and those present, without adding a single qualifying remark, just as if it had been their natural and chosen designation. The nickname was no doubt accepted so readily, partly from a desire to take the edge off the

sneer it was meant to convey, but partly also from the nobler feeling which makes men stand by a truth that is out of favour. Not that they approved of the contentions of social democracy out and out, but they believed there was more basis of truth in them than persons in authority were inclined to allow, and besides that the truth they contained was of special and even pressing importance. They held, as Schmoller said, that "Social Democracy was itself a consequence of the sins of modern Liberalism." They went entirely with the social democrats in maintaining both that a grave social crisis had arisen, and that it had been largely brought about by an irrational devotion on the part of the Liberals to the economical doctrine of *laissez-faire*. But they went further with them. They believed that the salvation of modern society was to come, not indeed from the particular scheme of reconstruction advocated by the social democrats, but still from applications in one form or another of their fundamental principle, the principle of association. And it was for that reason — it was for the purpose of marking the value they set upon the associative principle as the chief source of healing for the existing ills of the nations — that they chose to risk misunderstanding and obloquy by accepting the nickname put upon them by their adversaries. The late Professor Held, who claims as a merit that he was the first to do so, explains very clearly what he means by calling himself a socialist. Socialism may signify many different things, but, as he uses the word, it denotes not any definite system of opinions or any particular plan of social reform, but only a general method which may guide various systems, and may be employed more or less according to circumstances in directing many different reforms. He is a socialist because he

would give much more place than obtains at present to the associative principle in the arrangements of economical life, and because he cannot share in the admiration many economists express for the purely individualistic basis on which these arrangements have come to stand. A socialist is simply the opposite of an individualist. The individualist considers that the perfection of an industrial economy consists in giving to the principles of self-interest, private property, and free competition, on which the present order of things is founded, the amplest scope they are capable of receiving, and that all existing economical evils are due, not to the operation of these principles but only to their obstruction, and will gradually disappear when self-interest comes to be better understood, when competition is facilitated by easier inter-communication, and when the law has ceased from troubling and left industry at rest. The socialist, in Held's sense, is, on the other hand, one who rejects the comfortable theory of the natural harmony of individual interests, and instead of deploring the obstructions which embarrass the operations of the principles of competition, self-interest, and private property, thinks that it is precisely in consequence of these obstructions that industrial society contrives to exist at all. Strip these principles, he argues, of the restraints put upon them now by custom, by conscience, by public opinion, by a sense of fairness and kind feeling, and the inequalities of wealth would be immensely aggravated and the labouring classes would be unavoidably ground to misery. Industrial society would fall into general anarchy, into a *bellum omnium contra omnes*, in which they that have would have more abundantly, and they that have not would lose even what they have. Held declines to join in the admiration bestowed by many scientific econ-

omists upon this state of war, in which the battle is always to the rich. He counts it neither the state of nature, nor the state of perfection, of economical society, but simply an unhappy play of selfish and opposing forces, which it ought to be one of the distinct aims of political economy to mitigate and counteract. Individualism has already had too free a course, and especially in the immediate past has enjoyed too sovereign a reign. The work of the world cannot be carried on by a fortuitous concourse of hostile atoms, moving continually in a strained state of suspended social war, and therefore, for the very safety of industrial society, we must needs now change our tack, give up our individualism, and sail in the line of the more positive and constructive tendencies of socialism. To Held's thinking accordingly, socialism and individualism are merely two contrary general principles, ideals, or methods, which may be employed to regulate the constitution of economical society, and he declares himself a socialist because he believes that society suffers at present from an excessive application of the individualistic principle, and can only be cured by an extensive employment of the socialistic one.

This is all clear enough, but it is simply giving to the word socialism another new meaning, and creating a fresh source of ambiguity. That term has already contracted definite associations which it is impossible to dispel by mere word of mouth, and which constitute a refracting medium through which the principles of the Socialists of the Chair cannot fail to be presented in a very misleading form. These writers assume a special position in two relations — first, as theoretical economists, and, second, as practical politicians or social reformers; and in both respects alike the term socialism

is peculiarly inappropriate to describe their views. In regard to the first point, by adopting that name they have done what they could to "Nicodemus" themselves into a sect, whereas they might have claimed, if they chose, to be better exponents of the catholic tradition of the science than those who found fault with them. This is a claim, however, which they would be shocked indeed to think of presenting. With a natural partiality for their own opinions, they exaggerated immensely the extent and also the value of their divergence from the traditional or, as it is sometimes called, the classical economy. In the energy of their recoil from the dogmatism which had for a generation usurped an excessive sway over economical science, they were carried too far in the opposite direction, but they had in their own minds the sensation that they were carried a great deal farther than they really were. They liked to think of their historical method as constituting a new epoch, and effecting a complete revolution in political economy, but, as will subsequently appear, that method, when reduced to its real worth, amounts to no more than an application, with somewhat distincter purpose and wider reach, of the method which Smith himself followed. Of this they are in some degree conscious. Brentano, who belongs to the extreme right of the school, says that Smith would have been a Socialist of the Chair to-day if he were alive; and Samter, who belongs to the extreme left, though he is doubtful regarding Smith, has no hesitation in claiming Mill, whom he looks upon as standing more outside than inside the school of Smith. Their position is, therefore, not the new departure which many of them would fain represent it to be. They are really as natural and as legitimate a line of descent from Adam Smith as their adversaries the German Manches-

ter Party who claimed the authority of his name. Perhaps they are even more so, for in science the true succession lies with those who carry the principles of the master to a more fruitful development, and not with those who embalm them as sacred but sterile simulacra.

But it is as practical reformers that the Socialists of the Chair suffer most injustice from their name. Since the word socialism was first used by Reybaud fifty years ago, it has always been connected with utopian or revolutionary ideas. Now the Socialists of the Chair are the very opposite of revolutionaries both by creed and practice. None of the various parties which occupy themselves with the social problem in Germany is so eminently and advisably practical. Their very historical method, apart from anything else, makes them so. It gives them a special aversion to political and social experiments, for it requires as the first essential of any project of reform that it shall issue naturally and easily out of — or at least be harmonious with — the historical conditions of the time and place to which it is to be applied. Roscher, who may be regarded as the founder of the school, says that reformers ought to take for their model Time, whose reforms are the surest and most irresistible of all, but yet so gradual that they cannot be observed at any given moment. They make therefore on the whole a very sparing use of the socialistic principle they invoke. Certainly the world, in their eyes, is largely out of joint, but its restoration is to proceed gently, like Solomon's temple, without sound of hammer. Some of them of course go farther than others, but they would all still leave us rent, wages, and profits, the three main stems of individualism. They struck the idea of taxing speculative profits out of their pro-

gramme, and so far from having any socialistic thought of abolishing inheritance, none of them except Von Scheel would even tax it exceptionally. Samter stands alone in urging the nationalisation of the land; and Wagner stands alone in desiring the abolition of private property in ground-rents in towns; the other members cannot agree even about the expediency of nationalising the railways. They work of set purpose for a better distribution of wealth — for what Schmoller calls a progressive equalization of the excessive and even dangerous differences of culture that exist at present — but they recoil from all suggestion of schemes of repartition, and they have no fault to find with inequality in itself. On the contrary they regard inequality as being not merely an unavoidable result of men's natural endowments, but an indispensable instrument of their progress and civilisation. Schmoller explains that their political principles are those of Radical Toryism, as portrayed in Lord Beaconsfield's novels; and he means that they rest on the same active sympathy with the ripening aspirations of the laboring classes, and the same zealous confidence in the authority of the State, and in these respects are distinguished from modern Liberalism, whose governing sympathies are with the interests and ideas of the *bourgeoisie*, and which entertains a positive jealousy of the action of the State. The actual reforms which the Socialists of the Chair have hitherto promoted, have been in the main copied from our own English legislation — our factory acts, our legalisation of Trade Unions, our Savings Banks, our registration of Friendly Societies, our sanitary legislation, &c., &c. — measures which have been passed, with the concurrence of men of opposite shades of opinion, out of no social theory, but from a plain regard to the obvious necessi-

ties of the hour. So that we have been simply Socialists of the Chair for a generation without knowing it, doing from a happy political instinct the works which they deduce out of an elaborate theory of economical politics. Part of their theory, however, is, that in practical questions they are not to go by theory, and the consequence is that while they sometimes lay down general principles in which communism might steal a shelter, they control these principles so much in their application by considerations of expediency, that the measures they end in proposing differ little from such as commend themselves to the common-sense and public spirit of middle-class Englishmen.

Their general theory had been taught in Germany for twenty years before it was forced into importance by the policy it suggested and the controversies it excited in connection with the socialist movement which began in 1863. Wilhelm Roscher, professor of political economy in Leipzig, first propounded the historical method in his "Grundriss zu Vorlesungen über die Staatswirthschaft nach geschichtlicher Methode," published in 1843, though it deserves to be noticed that in this work he spoke of the historical method as being the ordinary inductive method of scientific economists, and distinguished it from the idealistic method proceeding by deduction from preconceived ideas, which he said was the method of the socialists. He had no thought as yet of representing his method as diverging from that of his predecessors, even in detail, much less as being essentially different in principle. Then the late Bruno Hildebrand, professor of political science at Jena, in his work on the "National Economy of the Present and the Future," published in 1847, proclaimed the historical method as the harbinger and instrument of a new era in the science, but he

speaks of it only as a restoration of the method of diligent observation which Adam Smith practised, but which his disciples deserted for pure abstractions. In 1853, a more elaborate defence and exposition of the historical method appeared in a work on "Political Economy from the Standpoint of the Historical Method," by Carl G. A. Knies, professor of national economy at Heidelberg. But it was never dreamt that the ideas broached in these works had spread beyond the few solitary thinkers who issued them. The Free Traders were still seen ruling everything in the high places of the land in the name of political economy, and they were everywhere apparently accepted as authorised interpreters of the mysteries of that, to the ordinary public, somewhat occult science. They preached the freedom of exchange like a religion which contained at once all they were required to believe in economical matters, and all they were required to do. There was ground for Lassalle's well known taunt: "Get a starling, Herr Schultze, teach it to pronounce the word 'exchange,' 'exchange,' 'exchange,' and you have produced a very good modern economist." The German Manchester Party certainly gave to the principle of *laissez-faire, laissez-aller*, a much more unconditional and universal application than any party in this country thought of according to it. They looked on it as a kind of orthodoxy which it had come to be almost impious to challenge. It had been hallowed by the consensus of the primitive fathers of the science, and it seemed now to be confirmed beyond question experimentally by the success of the practical legislation in which it had been exemplified during the previous quarter of a century. The adherents of the new school never raised a murmur against all this up till the eventful time of the socialist agitation and

the formation of the new German Empire, and the reason is very plain. On the economical questions which came up before that period, they were entirely at one with the Free Traders, and gave a hearty support to their energetic lead. They were, for example, as strenuously opposed to protective duties and to restrictions upon liberty of migration, settlement, and trading, as Manchester itself. But with the socialist agitation of 1863, a new class of economical questions came to the front — questions respecting the condition of the working classes, the relations of capital and labour, the distribution of national wealth, and the like — and on these new questions they could not join the Free Traders in saying "hands off." They did not believe with the Manchester school that the existing distribution of wealth was the best of all possible distributions, because it was the distribution which Nature herself produced. They thought, on the contrary, that Nature had little to do with the matter, but even if it had more, there was only too good cause for applying strong corrections by art. They said it was vain for the Manchester Party to deny that a social question existed, and to maintain that the working classes were as well off as it was practical for economical arrangements to make them. They declared there was much truth in the charges which socialists were bringing against the existing order of things, and that there was a decided call upon all the powers of society, and, among others, especially upon the State, to intervene with some remedial measures. A good opportunity for concerted and successful action seemed to be afforded when the German Empire was established, and this led to the convening of the Eisenach Congress in 1872, and the organisation of the Society for Social Politics in the following year.

Men of all shades of opinion were invited to that Congress, provided they agreed on two points, which were expressly mentioned in the invitation: 1st, in entertaining an earnest sense of the gravity of the social crisis which existed, and 2nd, in renouncing the principle of *laissez-faire* and all its works. The Congress was attended by 150 members, including many leading politicians and most of the professors of political economy at the Universities. Roscher, Knies, and Hildebrand were there, with their younger disciples Schmoller, professor at Strasburg and author of the "History of the Small Industries;" Lujo Brentano, professor at Breslau, well-known in this country by his book on "English Gilds" and his larger work on "English Trade Unions;" Professors A. Wagner of Berlin and Schönberg of Tübingen. Then there were men like Max Hirsch and Duncker the publisher, both members of the Imperial Diet, and the founders of the Hirsch-Duncker Trade Unions; Dr. Engel, director of the statistical bureau at Berlin; Professor von Holtzendorff, the criminal jurist; and Professor Gneist, historian for the English Constitution, who was chosen to preside. After an opening address by Schmoller, three papers were read and amply discussed, one on Factory Legislation by Brentano, a second on Trade Unions and Strikes by Schmoller, and a third on Labourers' Dwellings by Engel. This congress first gave the German public an idea of the strength of the new movement; and the Free Trade party were completely, and somewhat bitterly, disenchanted, when they found themselves deserted, not as they fancied merely by a few effusive young men, but by almost every economist of established reputation in the country. A sharp controversy ensued. The newspapers, with scarcely an exception, attacked the Socialists of the Chair tooth and nail,

and leading members of the Manchester party, such as Treitschke the historian, Bamberger the Liberal politician, and others, rushed eagerly into the fray. They were met with spirit by Schmoller, Held, Von Scheel, Brentano, and other spokesmen of the Eisenach position, and one result of the polemic is, that some of the misunderstandings which naturally enough clouded that position at the beginning have been cleared away, and it is now admitted by both sides that they are really much nearer one another than either at first supposed. The Socialists of the Chair did not confine their labours to controversial pamphlets. They published newspapers, periodicals, elaborate works of economical investigation; they held meetings, promoted trade-unions, insurance societies, savings banks; they brought the hours of labour, the workmen's houses, the effects of speculation and crises, all within the sphere of legislative consideration. The moderation of their proposals of change has conciliated to a great extent their Manchester opponents. Even Oppenheim, the inventor of their nickname, laid aside his scoffing, and seconded some of their measures energetically. Indeed, their chief adversaries are now the socialists, who cannot forgive them for going one mile with them and yet refusing to go twain — for adopting their diagnosis and yet rejecting their prescription. Brentano, who is one of the most moderate, as well as one of the ablest of them, takes nearly as grave a view of the state of modern industrial society as the socialists themselves do; and he says that if the evils from which it suffers could not be removed otherwise, it would be impossible to avoid much longer a socialistic experiment. But then he maintains that they can be removed otherwise, and one of the chief motives of himself and his allies in their practical work is to put an end to

socialistic agitation by curing the ills which have excited it.

The key to the position of the Socialists of the Chair lies in their historical method. This method has nothing to do with the question sometimes discussed whether the proper method of political economy is the inductive or the deductive. On that question the historical school of economists are entirely agreed with the classical school. Roscher, for example, adopts Mill's description of political economy as a concrete deductive science, whose *à priori* conclusions, based on laws of human nature, must be tested by experience, and says that an economical fact can be said to have received a scientific explanation only when its inductive and deductive explanations have met and agreed. He makes, indeed, two qualifying remarks. One is, that it ought to be remembered that even the deductive explanation is based on observation, on the self-observation of the person who offers it. This will be admitted by all. The other is, that every explanation is only provisional, and liable to be superseded in the course of the progress of knowledge, and of the historical growth of social and economical structure. This will also be admitted, and it is no peculiarity of political economy. There is no science whose conclusions are not modified by the advance of knowledge; and there are many sciences besides political economy whose phenomena change their type in lapse of time. Roscher's proviso, therefore, amounts to nothing more than a caution to economical investigators to build their explanations scrupulously on the facts, the whole facts, and nothing but the facts, and to be specially on their guard against applying to the circumstances of one period or nation explanations and recommendations which are only just regarding another.

The same disease may have different symptoms in a child from what it has in a man, and a somewhat different type at the present day from what it had some centuries ago; and it may therefore require a quite different treatment. That is a very sound principle and a very self-evident one, and it contains the whole essence of the historical method, which, so far as it is a method of investigation at all, is simply that of other economists applied under a more dominating sense of the complexity and diversity of the phenomena which are subjected to it. There is consequently with the historical school more rigour of observation and less rigour of theory, and this peculiarity leads to practical results of considerable importance, but it has no just pretensions to assume the dignity of a new economical method, and it is made to appear much bigger than it is by looming through the scholastic distinctions in which it is usually set forth.

The historical school sometimes call their method the *realistic* and *ethical* method, to distinguish it from what they are pleased to term the *idealistic*, and *selfish* or *materialistic* method of the earlier economists. They are *realists* because they cannot agree with the majority of economists who have gone before them in believing there is one, and only one, ideal of the best economical system. There are, says Roscher, as many different ideals as there are different types of peoples, and he completely casts aside the notion, which had generally prevailed before him, that there is a single normal system of economical arrangements, which is built on the natural laws of economical life, and to which all nations may at all times with advantage conform. It is against this notion that the historical school has revolted with so much energy that they wish to make their opposition

to it the flag and symbol of a schism. They deny that there are any natural laws in political economy; they deny that there is any economical solution absolutely valid, or capable of answering in one economical situation because it has answered in another. Roscher, Knies, and the older members of the school make most of the latter point; but Hildebrand, Schönberg, Schmoller, Brentano, and the younger spirits among them, direct against the former some of their keenest attacks. They declare it to be a survival from the exploded metaphysics of the much-abused *Aufklärung* of last century. They argue that just as the economists of that period took self-interest to be the only economical motive, because the then dominant psychology — that of the selfish or sensual school — represented it as the only real motive of human action, of which the other motives were merely modifications; so did they come to count the reciprocal action and reaction of the self-interest of different individuals to be a system of natural forces, working according to natural laws, because they found the whole intellectual air they breathed at the time filled with the idea that all error in poetry, art, ethics, and therefore also economics, had come through departing from Nature, and that the true course in everything lay in giving the supremacy to the nature of things. We need not stop to discuss this historical question as to the origin of the idea; it is enough here to say that the Socialists of the Chair maintain that in economical affairs it is impossible to make any such distinction between what is natural and what is not so. Everything results from nature, and everything results from positive institution too. There is in economics either no nature at all, or there is nothing else. Human will effects or affects all; and human will is itself influenced,

of course, by human nature and human condition. Roscher says that it is a mistake to speak of industry being forced into "unnatural" courses by priests or tyrants, for the priests and tyrants are part and parcel of the people themselves, deriving all their resources from the people, and in no respect Archimedeses standing outside of their own world. The action of the State in economical affairs is just as natural as the action of the farmer or the manufacturer, and the latter is as much matter of positive institution as the former. But while Roscher condemns this distinction, he does not go the length his disciples have gone, and reject the whole idea of natural law in the sphere of political economy. On the contrary, he actually makes use of the expression, "the natural laws of political economy," and asserts that, when they are once sufficiently known, all that is then needed to guide economical politics is to obtain exact and reliable statistics of the situation to which they are to be applied. Now that statement is exactly the position of the classical school on the subject. Economical politics is, of course, like all other politics, an affair of times and nations; but economical science belongs to mankind, and contains principles which may be accurately enough termed, as Roscher terms them, natural laws, and which may be applied, as he would apply them, to the improvement of particular economical situations, on condition that sufficiently complete and correct statistics are obtained beforehand of the whole actual circumstances. Economical laws are, of course, of the nature of ethical laws, and not of physical; but they are none the less on that account natural laws, and the polemic instituted by the Socialists of the Chair to expel the notion of natural law from the entire territory of political economy, is unjustifiable.

Phenomena which are the result of human action will always exhibit regularities while human character remains the same; and, moreover, they often exhibit undesigned regularities which, not being imposed upon them by man, must be imposed upon them by Nature. While, therefore, the Socialists of the Chair have made a certain point against the older economists by showing the futility and mischief of distinguishing between what is natural in economics and what is not, they have erred in seeking to convert that point into an argument against the validity of economical principles and the existence of economical laws. At the same time their position constitutes a wholesome protest against the tendency to exaggerate the completeness or finality of current doctrines, and gives economical investigation a beneficial direction by setting it upon a more thorough and all-sided observation of facts.

But when they complain of the earlier economists being so wedded to abstractions, the fault they chiefly mean to censure is the habit of solving practical economical problems by the unconditional application of certain abstract principles. It is the "absolutism of solutions" they condemn. They think economists were used to act like doctors who had learnt the principles of medicine by rote and applied them without the least discrimination of the peculiarities of individual constitutions. With them the individual peculiarities are everything, and the principles are too much thrown into the shade. Economical phenomena, they hold, constitute only one phase of the general life of the particular nations in which they appear. They are part and parcel of a special concrete social organism. They are influenced — they are to a great extent made what they are — by the whole *ethos* of the people they pertain

to, by their national character, their stage of culture, their habits, customs, laws. Economical problems are consequently always of necessity problems of the time, and can only be solved for the period that raises them. Their very nature alters under other skies and in other ages. They neither appear everywhere in the same shape, nor admit everywhere of the same answer. They must therefore be treated historically and empirically, and political economy is always an affair for the nation and never for the world. The historical school inveigh against the *cosmopolitanism* of the current economical theories, and declare warmly in favour of *nationalism;* according to which every nation has its own political economy just as it has its own constitution and its own character. Now here they are right in what they affirm, wrong in what they deny. They are right in affirming that economical politics is national, wrong in denying that economical science is cosmopolitan. In German the word economy denotes the concrete industrial system as well as the abstract science of industrial systems, and one therefore readily falls into the error of applying to the latter what is only true of the former. There may be general principles of engineering, though every particular project can only be successfully accomplished by a close regard to its particular conditions. In claiming a cosmopolitan validity for their principles, economists do not overlook their essential relativity. On the contrary, they describe their economical laws as being in reality nothing more than tendencies, which are not even strictly true as scientific explanations, and are never for a moment contemplated as unconditional solutions for practical situations. Moreover Roscher, in defining his task as an economist, virtually takes up the cosmopolitan standpoint and virtually rejects the

national. He says a political economist has to explain what is or has been, and not to show what ought to be; he quotes the saying of Dunoyer, *Je n'impose rien, je ne propose même rien j'expose;* and states that what he has to do is to unfold the anatomy and physiology of social and national economy. He is a scientific man, and not an economical politician, and naturally assumes the position of science, which is cosmopolitan, and not that of politics, which is national and even opportunist.

I pass now to a perhaps more important point, from which it will be seen that the Socialists of the Chair are far from thinking that political economy has nothing to do with what ought to be. Next to the *realistic* school, the name they prefer to describe themselves by is the *ethical* school. By this they mean two things, and some of them lay the stress on the one and some on the other. They mean, first, to repudiate the idea of self-interest being the sole economical motive or force. They do not deny it to be a leading motive in industrial transactions, and they do not, like some of the earlier socialists, aim at its extinction or replacement by a social or generous principle of action. But they maintain that the course of industry never has been and never will be left to its guidance alone. Many other social forces, national character, ideas, customs — the whole inherited *ethos* of the people — individual peculiarities, love of power, sense of fair dealing, public opinion, conscience, local ties, family connections, civil legislation — all exercise upon industrial affairs as real an influence as personal interest, and, furthermore, they exercise an influence of precisely the same kind. They all operate ethically, through human will, judgment, motives, and in this respect one of them has no advantage over another. It cannot be said, except in a very

limited sense, that self-interest is an essential and abiding economical force and the others only accidental and passing. For while customs perish, custom remains; opinions come and go, but opinion abides; and though any particular act of the State's intervention may be abolished, State intervention itself cannot possibly be dispensed with. It is all a matter of more or less, of here or there. The State is not the intruder in industry it is represented to be. It is planted in the heart of the industrial organism from the beginning, and constitutes in fact part of the nature of things from which it is sought to distinguish it. It is not unnatural for us to wear clothes because we happen to be born naked, for Nature has given us a principle which guides us to adapt our dress to our climate and circumstances. Reason is as natural as passion, and the economists who repel the State's intrusion and think they are thus leaving industry to take its natural course, commit the same absurdity as the moralist who recommends men to live according to Nature, and explains living according to Nature to mean the gratification as much as possible of his desires, and his abandonment as much as possible of rational and, as he conceives, artificial plan. The State cannot observe an absolute neutrality if it would. Non-intervention is only a particular kind of intervention. There must be laws of property, succession, and the like, and the influence of these spreads over the whole industrial system, and affects both the character of its production and the incidence of its distribution of wealth.

But, second, by calling their method the *ethical* method, the historical school desire to repudiate the idea that in dealing with economical phenomena they are dealing with things which are morally indifferent,

like the phenomena of physics, and that science has nothing to do with them but to explain them. They have certainly reason to complain that the operation of the laws of economy is sometimes represented as if it were morally as neutral as the operation of the law of gravitation, and it is in this conception that they think the materialism of the dominant economical school to be practically most offensively exhibited. Economical phenomena are not morally indifferent; they are ethical in their very being, and ought to be treated as such. Take, for example, the labour contract. To treat it as a simple exchange between equals is absurd. The labourer must sell his labour or starve, and may be obliged to take such terms for it as leave him without the means of enjoying the rights which society awards him, and discharging the duties which society claims from him. Look on him as a ware, if you will, but remember he is a ware that has life, that has connections, responsibilities, expectations, domestic, social, political. To get his bread he might sell his freedom, but society will not permit him; he may sell his health, he may sell his character, for society permits that; he may go to sea in rotten ships, and be sent to work in unwholesome workshops; he may be herded in farm bothies where the commonest decencies of life cannot be observed; and he may suck the strength out of posterity by putting his children to premature toil to eke out his precarious living. Transactions which have such direct bearings on freedom, on health, on morals, on the permanent well-being of the nation, can never be morally indifferent. They are necessarily within the sphere of ends and ideals. Their ethical side is one of their most important ones, and the science that deals with them is therefore ethical. For the same reason

they come within the province of the State, which is the normal guardian of the general and permanent interests, moral and economical, of the community. The State does not stand to industry like a watchman who guards from the outside property in which he has himself no personal concern. It has a positive industrial office. It is, says Schmoller, the great educational institute of the human race, and there is no sense in suspiciously seeking to reduce its action in industrial affairs to a minimum. His theory of the State is that of the *Cultur-Staat*, in distinction from the *Polizei-Staat*, and the *Rechts-Staat*. The State can no longer be regarded as merely an omnipotent instrument for the maintenance of tranquillity and order in the name of Heaven; nor even as a constitutional organ of the collective national authority for securing to all individuals and classes in the nation, without exception, the rights and privileges which they are legally recognised to possess; but it must be henceforth looked upon as a positive agency for the spread of universal culture within its geographical territory.

With these views, the Socialists of the Chair could not fail to take an active concern with the class of topics thrown up by the socialist movement, and exciting still so much attention in Germany under the name of the social question. They neither state that question nor answer it like the socialists, but their first offence, and the fountain of all their subsequent offending, in the judgment of their Manchester antagonists, consisted in their acknowledgment that there was a social question at all. Not that the Manchester party denied the existence of evils in the present state of industry, but they looked upon these evils as resulting from obstructions to the freedom of competition which time, and time

alone, would eventually remove, and from moral causes with which economists had no proper business. The Socialists of the Chair, however, could not dismiss their responsibility for those evils so easily. They owned at once that a social crisis had arisen or was near at hand. The effect of the general adoption of the large system of production had been to diminish the numbers of the middle classes, to reduce the great bulk of the lower classes permanently to the position of wage-labourers, and to introduce some grave elements of peril and distress into the condition of the wage-labourers themselves. They are doubtless better fed, better lodged, better clad, than they were say in the middle and end of last century, when not one in a hundred of them had shoes to his feet, when seven out of eight on the Continent were still bondsmen, and when three out of every four in England had to eke out their wages by parochial relief. But, in spite of these advantages, their life has now less hope and less security than it had then. Industry on the great scale has multiplied the vicissitudes of trade, and rendered the labourer much more liable to be thrown out of work. It has diminished the avenues to comparative independence and dignity which were open to the journeyman under the *régime* of the small industries. And while thus condemned to live by wages alone all his days, he could entertain no reasonable hope — at least before the formation of trade unions — that his wages could be kept up within reach of the measure of his wants, as these wants were being progressively expanded by the general advance of culture. Moreover, the twinge of the case lies here, that while the course which industrial development is taking seems to be banishing hope and security more and more from the labourer's life, the progress of general civili-

sation is making these benefits more and more imperatively demanded. The working classes have been growing steadily in the scale of moral being. They have acquired complete personal freedom, legal equality, political rights, general education, a class consciousness, and they have come to cherish a very natural and legitimate aspiration that they shall go on progressively sharing in the increasing blessings of civilisation. Brentano says that modern public opinion concedes this claim of the working man as a right to which he is entitled, but that modern industrial conditions have been unable as yet to secure him in the possession of it; hence the Social Question. Now some persons may be ready enough to admit this claim as a thing which it is eminently desirable to see realised, who will yet demur to the representation of it as a right, which puts society under a corresponding obligation. But this idea is a peculiarity belonging to the whole way of thinking of the Socialists of the Chair upon these subjects. Some of them indeed take even higher ground. Schmoller, for example, declares that the working classes suffer positive wrong in the present distribution of national wealth, considered from the stand-point of distributive justice; but his associates as a rule do not agree with him in applying this abstract standard to the case. Wagner also stands somewhat out of the ranks of his fellows by throwing the responsibility of the existing evils directly and definitely upon the State. According to his view, there can never be anything which may be legitimately called a Social Question, unless the evils complained of are clearly the consequences of existing legislation, but he holds that that is so in the present case. He considers that a mischievous turn has been given to the distribution of wealth by legalising indus-

trial freedom without at the same time imposing certain restrictions upon private property, the rate of interest, and the speculations of the Stock Exchange. The State has, therefore, caused the Social Question; and the State is bound to settle it. The other Socialists of the Chair, however, do not bring the obligation so dead home to the civil authority alone. The duty rests on society, and, of course, so far on the State also, which is the chief organ of society; but it is not to State-help alone, nor to self-help alone, that the Socialists of the Chair ask working men to look; but it is to what they term the self-help of society. Society has granted to the labouring classes the rights of freedom and equality, and has, therefore, come bound to give them, as far as it legitimately can, the amplest facilities for practically enjoying these rights. To give a man an estate mortgaged above its rental is only to mock him; to confer the status of freedom upon working men merely to leave them overwhelmed in an unequal struggle with capital is to make their freedom a dead letter. Personal and civil independence require, as their indispensable accompaniment, a certain measure of economical independence likewise, and consequently to bestow the former as an inalienable right, and yet take no concern to make the latter a possibility, is only to discharge one-half of an obligation voluntarily undertaken, and to deceive expectations reasonably entertained. No doubt this independence is a thing which working men must in the main win for themselves, and day after day, by labour, by providence, by association; but it is nevertheless an important point to remember, with Brentano, that it forms an essential part of an ideal which society has already acknowledged to be legitimate, and which it is therefore bound to second every effort to realise.

The Social Question, conceived in the light of these considerations, may accordingly be said to arise from the fact that a certain material or economic independence has become more necessary for the working man, and less possible. It is more necessary, because, with the sanction of modern opinion, he has awoke to a new sense of personal dignity, and it is less possible, in consequence of circumstances already mentioned, attendant upon the development of modern industry. It is not, as Lord Macaulay maintained, that the evils of man's life are the same now as formerly, and that nothing has changed but the intelligence which has become conscious of them. The new time has brought new evils and less right or disposition to submit to them. It is the conflict of these two tendencies which, in the thinking of the Socialists of the Chair, constitutes the social crisis of the present day. Some of them, indeed, describe it in somewhat too abstract formulæ, which exercise an embarrassing influence on their speculations. For example, Von Scheel says the Social Question is the effect of the felt contradiction between the ideal of personal freedom and equality which hangs before the present age, and the increasing inequality of wealth which results from existing economical arrangements; and he proposes as the general principal of solution, that men should now abandon the exclusive devotion which modern Liberalism has paid to the principle of freedom, and substitute in its room an adhesion to freedom *plus* equality. But then equality may mean a great many different things, and Von Scheel leaves us with no precise clue to the particular scope he would give his principle in its application. He certainly seems to desire more than a mere equality of right, and to aim at some sort or degree of equality of fact, but what or

how he informs us not; just as Schmoller, while propounding the dogma of distributive justice, condemns the communistic principle of distribution of wealth as being a purely animal principle, and offers us no other incorporation of his dogma. In spite of their antipathy to abstractions, many of the Socialists of the Chair indulge considerably in barren generalities, which could serve them nothing in practice, even if they did not make it a point to square their practice by the historical conditions of the hour.

Brentano strikes on the whole the most practical keynote, both in his conception of what the social question is and of how it is to be met. What is needed, he thinks, very much is to give to modern industry an organisation as suitable to it as the old guilds were to the industry of earlier times, and this is to be done in great part by adaptations of that model. He makes comparatively little demand on the power of the State, while of course agreeing with the rest of his school in the latitude they give to the lawfulness of its intervention in industrial matters. He would ask it to bestow a legal status on trade-unions and friendly societies, to appoint courts of conciliation, to regulate the hours of labour, to institute factory inspection, and to take action of some sort on the daily more urgent subject of labourers' dwellings. But the elevation of the labouring classes must be wrought mainly by their own well-guided and long-continued efforts, and the first step is gained when they have resolved earnestly to begin. The pith of the problem turns on the matter of wages, and, so far at any rate, it has already been solved almost as well as is practicable by the English trade-unions, which have proved to the world that they are always able to convert the question of wages from the

question how little the labourer can afford to take, into the question how much the employer is able to give — *i.e.*, from the minimum to the maximum which the state of the market allows. That is of course a very important change, and it is interesting to know that F. A. Lange, the able and distinguished historian of Materialism, who had written on the labour question with strong socialist sympathies, stated to Brentano that his account of the English trade-unions had converted him entirely from his belief that a socialistic experiment was necessary. Brentano admits that the effect of trade-unions is partial only; that they really divide the labouring class into two different strata — those who belong to the trade-unions being raised to a higher platform, and those who do not being left as they were in the gall of bitterness. But then, he observes, great gain has been made when at least a large section of the working class has been brought more securely within the pale of advancing culture, and it is only in this gradual way — section by section — that the elevation of the whole body can be eventually accomplished. The trade-union has imported into the life of the working man something of the element of hope which it wanted, and a systematic scheme of working-class insurance is now needed to introduce the element of security. Brentano has published an excellent little work on that subject; and here again he asks no material help from the State. The working class must insure themselves against all the risks of their life by association, just as they must keep up the rate of their wages by association; and for the same reasons — first, because they are able to do so under existing economical conditions, and second, because it is only so the end can be gained consistently

with the modern moral conditions of their life — *i.e.*, with the maintenance of their personal freedom, equality, and independence. Brentano thinks that the sound principle of working-class insurance is that every trade-union ought to become the insurance society for its trade, because every trade has its own special risks and therefore requires its own insurance premium, and because malingering, feigned sickness, claims for loss of employment through personal fault, and the like, cannot possibly be checked except by the fund being administered by the local lodges of the trade to which the subscribers belong. The insurance fund might be kept separate from the other funds of the union, but he sees no reason why it should not be combined with them, as it would only constitute a new obstacle to ill-considered strikes, and as striking in itself will, he expects, in course of time, give way to some system of arbitration. Brentano makes no suggestion regarding the mass of the working class who belong to no trade-union. They cannot be dealt with in the same way, or so effectively. But this is quite in keeping with the general principle of the Socialists of the Chair — in which they differ *toto cœlo* from the socialists — that society is not to be ameliorated by rigidly applying to every bit of it the same plan, but only by a thousand modifications and remedies adapted to its thousand varieties of circumstances and situations.

CHAPTER VI.

THE CHRISTIAN SOCIALISTS.

THE idea that a radical affinity exists between Christianity and socialism in their general aim, in their essential principles, in their pervading spirit, has strong attractions for a certain, by no means inferior, order of mind, and we find it frequently maintained in the course of history by representatives of both systems. Some of the principal socialists of the earlier part of this century used to declare that socialism was only Christianity more logically carried out and more faithfully practised; or, at any rate, that socialism would be an idle superfluity, if ordinary Christian principles were really to be acted upon honestly and without reserve. St. Simon published his views under the title of the "Nouveau Christianisme," and asserted that the prevailing forms of Christianity were one gigantic heresy; that both the Catholic and the Protestant Churches had now lost their power, simply because they had neglected their great temporal mission of raising the poor, and because their clergy had given themselves up to barren discussions of theology, and remained absolutely ignorant of the living social questions of the time; and that the true Christian *régime* which he was to introduce was one which should be founded on the Christian principle that all men are brothers; which should be governed by the Christian law, "Have ye

love one to another?" and in which all the forces of society should be mainly consecrated to the amelioration of the most numerous and poorest class. Cabet was not less explicit. He said that "if Christianity had been interpreted and applied in the spirit of Jesus Christ, if it were rightfully understood and faithfully obeyed by the numerous sections of Christians who are really filled with a sincere piety, and need only to know the truth to follow it, then Christianity would have sufficed, and would still suffice, to establish a perfect social and political organisation, and to deliver mankind from all its ills."

The same belief, that Christianity is essentially socialistic, has at various times appeared in the Church itself. The socialism of the only other period in modern history besides our own century, in which socialistic ideas have prevailed to any considerable extent, was, in fact, a direct outcome of Christian conviction, and was realised among Christian sects. The socialism of the Anabaptists of the Reformation epoch was certainly mingled with political ideas of class emancipation, and contributed to stir the insurrection of the German peasantry; but its real origin lay in the religious fervour which was abroad at the time, and which buoyed sanguine and mystical minds on dreams of a reign of God. When men feel a new and better power arising strongly about them, they are forward to throw themselves into harmony with it, and there were people, touched by the religious revival of the Reformation, who sought to anticipate its progress, as it were, by living together like brothers. Fraternity is undoubtedly a Christian idea, come into the world with Christ, spread abroad in it by Christian agencies, and belonging to the ideal that hovers perpetually over Christian

society. It has already produced social changes of immense consequence, and has force in it, we cannot doubt, to produce many more in the future; and it is therefore in nowise strange that in times of religious zeal or of social distress, this idea of fraternity should appeal to some eager natures with so urgent an authority, both of condemnation and of promise, that they would fain take it at once by force and make it king.

The socialism of the present day is not of a religious origin. On the contrary, there is some truth in the remark of a distinguished economist, M. Paul Leroy-Beaulieu, that the prevalence of socialistic ideas is largely due to the decline of religious faith among the working classes. If there is only the one life, they feel they must realise their ideal here and realise it quickly, or they will never realise it at all. However this may be, the fact is certain that most contemporary socialists have turned their backs on religion. They sometimes speak of it with a kind of suppressed and settled bitterness as of a friend that has proved faithless: "We are not atheists, we have simply done with God." They seem to feel that if there be a God, He is at any rate no God for them, that He is the God of the rich, and cares nothing for the poor, and there is a vein of most touching, though most illogical reproach in their hostility towards a Deity whom they yet declare to have no existence. They say in their heart, There is no God, or only one whom they decline to serve, for He is no friend to the labouring man, and has never all these centuries done anything for him. This atheism seems as much matter of class antipathy as of free-thought; and the semi-political element in it lends a peculiar bitterness to the socialistic attacks on religion and the Church, which are regarded as main pillars of the

established order of things, and irreconcilable obstructives to all socialist dreams. The Church has, therefore, as a rule looked upon the whole movement with a natural and justifiable suspicion, and has for the most part dispensed to it an indiscriminate condemnation. Some churchmen, however, scruple to assume this attitude; they recognise a soul of good in the agitation, if it could be stripped of the revolutionary and atheistic elements of its propaganda, which they hold to be, after all, merely accidental accompaniments of the system, at once foreign to its essence and pernicious to its purpose. It is in substance, they say, an economical movement, both in its origin and its objects, and so far as it stands on this ground they have no hesitation in declaring that in their judgment there is a great deal more Christianity in socialism than in the existing industrial *régime*. Those who take this view, generally find a strong bond of union with socialists in their common revolt against the mammonism of the church-going middle classes, and against current economical doctrines, which seem almost to canonize what they count the heartless and un-Christian principles of self-interest and competition.

Such, for example, was the position maintained by the Christian Socialists of England thirty years ago — a band of noble patriotic men who strove hard, by word and deed, to bring all classes of the community to a knowledge of their duties, as well as their interests, and to supersede, as far as might be, the system of unlimited competition by a system of universal co-operation. They inveighed against the Manchester creed, then in the flush of success, with an almost prophetic fury of conviction, as if it were the special Antichrist of the nineteenth century. Lassalle himself has not used harder words of it. Maurice said he dreaded above

everything "that horrible catastrophe of a Manchester ascendency, which I believe in my soul would be fatal to intellect, morality, and freedom;" and Kingsley declared that "of all narrow, conceited, hypocritical, anarchic, and atheistic schemes of the universe, the Cobden and Bright one was exactly the worst." They agreed entirely with the socialists in condemning the reigning industrial system: it was founded on unrighteousness; its principles were not only un-Christian, but anti-Christian; and in spite of its apparent commercial victories, it would inevitably end in ruin and disaster. Some of them had been in Paris and witnessed the Revolution of 1848, and had brought back with them two firm convictions — one, that a purely materialistic civilisation, like that of the July Monarchy, must sooner or later lead to a like fate; and the other, that the socialist idea of co-operation contained the fertilizing germ for developing a really enduring and Christian civilisation. Mr. Ludlow mentioned the matter to Maurice, and eventually a Society was formed, with Maurice as president, for the purpose of promoting co-operation and education among the working classes. It is beyond the scope of the present work to give any fuller account of this interesting and not unfruitful movement here; but it is to the purpose to mark two peculiarities which distinguish it from other phases of socialism. One is, that they insisted strongly upon the futility of mere external changes of condition, unattended by corresponding changes of inner character and life. "There is no fraternity," said Maurice, finely, "without a common Father." Just as it is impossible to maintain free institutions among a people who want the virtues of freemen, so it is impossible to realise fraternity in the general arrangements of society, unless

men possess a sufficient measure of the industrial and social virtues. Hence the stress the Christian Socialists of England laid on the education of the working classes. The other peculiarity is, that they did not seek in any way whatever to interfere with private property, or to invoke the assistance of the State. They believed self-help to be a sounder principle, both morally and politically, and they believed it to be sufficient. They held it to be sufficient, not merely in course of time, but immediately even, to effect a change in the face of society. For they loved and believed in their cause with a generous and touching enthusiasm, and were so sincerely and absolutely persuaded of its truth themselves, that they hardly entertained the idea of other minds resisting it. "I certainly thought," says Mr. Hughes, "(and for that matter have never altered my opinion to this day) that here we had found the solution of the great labour question; but I was also convinced that we had nothing to do but just to announce it, and found an association or two, in order to convert all England, and usher in the millennium at once, so plain did the whole thing seem to me. I will not undertake to answer for the rest of the council, but I doubt whether I was at all more sanguine than the majority." Seventeen co-operative associations in London, and twenty-four in the provinces (which were all they had established when they ceased to publish their Journal), may seem a poor result, but their work is not to be estimated by that alone. The Christian Socialists undoubtedly gave a very important impetus to the whole movement of co-operation, and to the general cause of the amelioration of the labouring classes.

The general position of Maurice and his allies (though with important differences, as will appear) has been

taken up again by two groups in Germany at the present day — one Catholic, the other Protestant — in dealing with the social question which has for many years agitated that country. In one respect the Christian Socialists of England were more fortunate than their German brethren. Nobody ever ventured to question the purity of their motives. The intervention of the clergy in politics is generally unpopular: they are thought, rightly or wrongly, to be churchmen first, and patriots afterwards; but it was impossible to suspect Maurice and his friends of being influenced in their efforts at reform by considerations of ecclesiastical or electoral interest, or of having any object at heart but the social good of the nation. It is otherwise with the Christian Socialists of Germany. Neither of the two German groups affects to conceal that one great aim of its work is to restore and extend the influence of the Church among the labouring classes; and it is unlikely that the Clerical party in Germany were insensible to the political advantage of having organisations of working men under ecclesiastical control, though it ought to be acknowledged that these organisations were contemplated before the introduction of universal suffrage. But even though ecclesiastical considerations mingled with the motives of the Christian Socialists, we see no reason to doubt the genuineness of their interest in the amelioration of the masses, or the sincerity of their conviction of the economical soundness of their programme.

The Catholic group deserves to be considered first, because it intervened in the discussion much sooner than the Evangelical, and because it originated a much more important movement — larger in its dimensions than the other, and invested with additional consequence from the circumstance that being promoted under the coun-

tenance of dignitaries, it must be presumed to have received the sanction of the Roman Curia, and may therefore afford an index to the general attitude which the Catholic Church is disposed to assume towards Continental socialism. The socialist agitation had no sooner broken out, in 1863, than Dr. Döllinger, then a pillar of the Church of Rome, strongly recommended the Catholic clubs of Germany to take the question up. These clubs are societies for mutual improvement, recreation, and benefit, and are composed mainly of working men. Father Kölping, himself at the time a working man, had, in 1847, founded an extensive organisation of Catholic journeymen, which, in 1872, had a total membership of 70,000, and consisted of an affiliation of small journeyman clubs, with a membership of from 50 to 400 each, in the various towns of Germany. Then there were also Catholic apprentice clubs—in many cases in alliance with those of the journeymen; there were Catholic master clubs, Catholic peasant clubs, Catholic benefit clubs, Catholic young men's clubs, Catholic credit clubs, Catholic book clubs, etc., etc. These clubs naturally afforded an organisation ready to hand for any general purpose the members might share in common, and being composed of working men, they seemed reasonably calculated to be of effective service in forwarding the cause of social amelioration. Early in 1864, accordingly, Bishop Ketteler of Mayence warmly seconded Döllinger's idea, and at the same time published a remarkable pamphlet on the Labour Question and Christianity, in which he unfolded his views of the causes and the cure of the existing evils.

William Immanuel, Baron von Ketteler, had been for twenty years a powerful and impressive figure in the public life of Germany. His high rank, social and

ecclesiastical, his immense energy, his weight of character, his personal disinterestedness of purpose, and his intellectual vigour and acuteness, had combined to give him great importance both in Church and State. Born in 1811, of an ancient Westphalian family, he was trained in law and politics for the public service, and actually entered upon it, but resigned his post in 1838, in consequence of the dispute about the Cologne bishopric, and resolved to give himself to the work of the Church. After studying theology at Munich and Münster, he was ordained priest in 1844, and became soon afterwards pastor at Hopster in Westphalia. Being sent as member for Langerich to the German National Assembly at Frankfort in 1848, he at once made his mark by the vigour with which he strove for the spiritual independence of the Church, by the lectures and sermons he delivered on questions of the day, and especially by a bold and generous oration he pronounced at the grave of the assassinated deputy, Prince Lichnowsky. This oration excited sensation all over Germany, and Ketteler was promoted, in 1849, to the Hedwigsburg Church, in Berlin, and in 1850 to the Bishopric of Mayence. In this position he found scope for all his powers. He founded a theological seminary at Mayence, erected orphan-houses and reformatories, introduced various religious orders and congregationist schools, and entering energetically into the disputes in Baden regarding the place and rights of the Catholic Church, he succeeded in establishing an understanding whereby the State gave up much of its patronage, its supervision of theological seminaries, its veto on ecclesiastical arrangements, restored episcopal courts, and assigned the Church extensive influence over popular education. He was one of the bishops who authorised the dogma

of the Immaculate Conception in 1854, but he belonged to the opposition at the Vatican Council of 1870. He wrote a pamphlet strongly deprecating the promulgation of the dogma of infallibility, and went, even at the last moment, to the Pope personally, and implored him to abandon the idea of promulgating it; but as his objection respected its opportuneness and not its truth, he did not secede with Döllinger when his opposition failed, but accepted the dogma himself and demanded the submission of his clergy to it. Bishop Ketteler was returned to the German Imperial Diet in 1871, and led the Clerical Fraction in opposing the ecclesiastical policy of the Government. He died at Binghausen, in Bavaria, in 1877, and is buried in Mayence Cathedral. Ketteler had always been penetrated with the ambition of making the Catholic Church a factor of practical importance in the political and social life of Germany, and with the conviction that the clergy ought to make themselves masters of social and political science so as to be able to exercise a leading and effective influence over public opinion on questions of social amelioration. He has himself written much, though nothing of permanent value, on these subjects, and did not approach them with unwashed hands when he published his pamphlet in 1864.

In this pamphlet, he says the labour question is one which it is his business, both as a Christian and as a bishop, to deal with: as a Christian, because Christ, as Saviour of the world, seeks not only to redeem men's souls, but to heal their sorrows and soften their condition; and as a bishop, because the Church had, according to her ancient custom, imposed upon him, as one of his consecration vows, that he would, "in the name of the Lord, be kind and merciful to the poor and the

stranger, and to all that are in any kind of distress." He considers the labour question of the present day to be the very serious and plain question, how the great bulk of the working classes are to get the bread and clothing necessary to sustain them in life. Things have come to this pass in consequence of two important economical changes — which he incorrectly ascribes to the political revolution at the end of last century, merely because they have taken place mostly since that date — the spread of industrial freedom, and the ascendency of the large capitalists. In consequence of these changes the labourer is now treated as a commodity, and the rate of his wages settled by the same law that determines the price of every other commodity — the cost of its production; and the employer is always able to press wages down to the least figure which the labourer will take rather than starve. Ketteler accepts entirely Lassalle's teaching about "the iron and cruel law," and holds it to have been so conclusively proved in the course of the controversy that it is no longer possible to dispute it without a deliberate intention of deceiving the people. Now there is no doubt, that Ricardo's law of value is neither so iron nor so cruel as Lassalle took it to be; and that when Lassalle alleged that in consequence of this law 96 per cent. of the population of Germany had to support their families on less than ten shillings a week, and were therefore in a state of chronic starvation, he based his statement on a calculation of Dieterici's, which was purely conjectural, and which, besides, disregarded the fact that in working-class families there were usually more breadwinners than one. Ketteler, however, adopts this whole statement of the case implicitly, and says the social problem of our day is simply how to emancipate the labouring class from

the operation of this economical law. "It is no longer possible to doubt that the whole material existence of almost the entire labouring population — *i.e.*, of much the greatest part of men in modern states, and of their families — that the daily question about the necessary bread for man, wife and children, is exposed to all the fluctuations of the market and of the price of commodities. I know nothing more deplorable than this fact. What sensations must it cause in those poor men who, with all they hold dear, are day after day at the mercy of the accidents of market price? That is the slave market of our Liberal Europe, fashioned after the model of our humanist, illuminist, anti-Christian Liberalism and freemasonry." The bishop never spares an opportunity of attacking "heathen humanist Liberalism," which he says has pushed the labouring man into the water, and now stands on the bank spinning fine theories about his freedom, but calmly seeing him drown.

After this it might be expected that Ketteler would be all for abolishing industrial freedom, and for restoring a *régime* of compulsory guilds and corporations; but he is not. He acknowledges that the old system of guilds had its advantages; it was a kind of assured understanding between the workman and society, according to which the former adjusted his work and the latter his wages. But it was the abuses of the compulsory powers of the guilds that led to industrial freedom; and, on the other hand, industrial freedom has great countervailing advantages of its own which he scruples to give up. It has immensely increased production and cheapened commodities, and so enabled the lower classes to enjoy means of life and enjoyment they had not before. Nor does Ketteler approve of Lassalle's

scheme of establishing productive associations of working men upon capital supplied by the State. Not that he objects to productive associations; on the contrary, he declares them to be a glorious idea, and thinks them the true solution of the problem. But he objects to supplying their capital by the State, as involving a direct violation of the law of property. The Catholic Church, he says, has never maintained an absolute right of property. Her divines have unanimously taught that the right of property cannot avail against a neighbour who is in extreme need, because God alone is absolute proprietor, and no man is more than a limited vassal, holding under God, and on the conditions which He imposes; and one of these conditions is that any man in extremities is entitled to satisfy his necessity where and how he pleases.* In such a case, according to Catholic doctrine, it is not the man in distress that is the thief, but the proprietor who would gainsay and stop him. The distressed have a positive right to succour, and the State may therefore, without violating any of the rights of property, tax the parishes, or the proprietors, for the relief of the poor. But beyond this the State has no title to go. It may legitimately tax

* The bishop draws this conclusion from the principle that God has directed all men to nature to obtain from it the satisfaction of their necessary wants, and that this original right of the needy cannot be superseded by the subsequent institution of private property. No doubt, he admits, that institution is also of God. It is the appointed way by which man's dominion over nature is to be realised, because it is the way in which nature is best utilised for the higher civilisation of man. But this purpose is secondary and subordinate to the other. And, therefore, concludes the bishop, "firmly as theology upholds the right of private property, it asserts at the same time that the higher right by which all men are directed to nature's supplies dare not be infringed, and that, consequently, any one who finds himself in extreme need is justified, when other means fail, in satisfying this extreme need where and how he may (wo und wie er es vermag)." — *Die Arbeiter-frage und das Christenthum* (*p. 78*).

people for the purpose of saving working men from extremities, but not for the purpose of bettering their normal position.

But where the civil authority ends the Christian authority comes in, and the rich have only escaped the obligation of compulsory legal enactment, to find themselves under the more far-reaching obligations of moral duty and Christian love. The Church declares that the man who does not give alms where he ought to give it stands in the same category as a thief; and there is no limit to this obligation but his power of giving help, and his belief that it would be more hurtful to give than to keep it. Ketteler's plan, accordingly, is that the capital for the productive associations should be raised by voluntary subscriptions on the part of Christian people. He thinks he has made out a strong case for establishing this as a Christian obligation. He has shown that a perilous crisis prevails, that this crisis can only be removed by productive associations, that productive associations cannot be started without capital, and he says it is a vain dream of Huber's to think of getting the capital from the savings of working men themselves, for most of the working men are in a distressed condition, and if a few are better off, their savings could only establish associations so few in number and so small in scale, as to be little better than trifling with the evil. He sees no remedy but making productive associations a scheme of the church, and appealing to that Christian philanthropy and sense of duty which had already done great service of a like nature — as, for example, in producing capital to emancipate slaves in Italy and elsewhere.

This remarkable proposal of the bishop seems to have fallen dead. Though he wrote and laboured much in

connection with the labour question afterwards, he never reverted to it again; and when a Christian Socialist party was formed, under his countenance, they adopted a programme which made large demands not only on the intervention but on the pecuniary help of the State. It was not till 1868 that any steps were taken towards the actual organisation of such a party. In June of that year three Catholic clubs met together at Crefeld, and after discussing the social question agreed to publish a journal (the *Christliche Sociale Blätter*) to promote their views. In September of the following year the whole subject of the relations of the Church to the labour question was discussed at a conference of the Catholic bishops of Germany, held at Fulda, and attended by Ketteler among others. This conference strongly recommended the clergy to make themselves thoroughly acquainted with that and other economical questions, to interest themselves generally in the condition of the working class they moved among, and even to travel in foreign countries to see the state of the labourers there and the effects of the institutions established for their amelioration. The conference also approved of the formation of Catholic Labourers' Associations, for the promotion of the general elevation of their own class, but held that the church had no call, directly or officially, to take the initiative in founding them. This duty was undertaken, however, later in the same month, by a general meeting of the Catholic Clubs of Germany, which appointed a special committee, including Professor Schulte and Baron Schorlemer-Abst, for the express purpose of founding and organising Christian social clubs, which should strive for the economical and moral amelioration of the labouring classes. This committee set itself immediately to work, and the

result was the Christian Social Associations, or, as they are sometimes called from their patron saint, the St. Joseph Associations. They were composed of, and managed by, working men, though they liked to have some man of eminence — never a clergyman — at the head of them, and though they allowed persons of property, clergymen, and especially employers of labour, to be honorary members. They met every Sunday evening to discuss social questions, and politics were excluded, except questions affecting the church, and on these a decided partisanship was encouraged.

The principles of this party — or what may be called their programme — is explained in a speech delivered by Canon Moufang to his constituents in Mayence, in February, 1871, and published with warm approbation, in the *Christliche Sociale Blätter* in March. Christoph Moufang is, like Ketteler, a leader of the German Clerical party, and entitled to the highest esteem for his character, his intellectual parts, and his public career. Born in 1817, he was first destined for the medical profession, and studied physic at Bonn; but he soon abandoned this intention, and betook himself to theology. After studying at Bonn and Munich, he was ordained priest in 1839. He was appointed in 1851 professor of moral and pastoral theology in the new theological seminary which Bishop Ketteler had founded at Mayence, and in 1854 was made canon of the cathedral. Moufang entered the First Hessian Chamber in 1862 as representative of the bishop, and made a name as a powerful champion of High Church views and of the general ecclesiastical policy of Bishop Ketteler. In 1868 he was chosen one of the committee to make preparations for the Vatican Council; but at the Council he belonged to the opponents of the dogma of infalli-

bility, and left Rome before the dogma was promulgated. He submitted afterwards, however, and worked sedulously in its sense. Moufang sat in the Imperial Diet from 1871 to 1877, was a leading member of the Centre, and stoutly resisted the Falk legislation. He is joint-editor of the *Katholik*, and is author of various polemical writings, and of a work on the history of the Jesuits in Germany.

Moufang takes a different view of the present duty of the Church in relation to the social question from that which we saw to have been taken by Ketteler. He asks for no pecuniary help from the Church, nor for any special and novel kind of activity whatever. The problem, indeed, cannot be effectively and permanently solved without her co-operation, but then the whole service she is able and required to render is contained in the course of her ordinary ministrations in diffusing a spirit of love and justice and fairness among the various classes of society, in maintaining her charities for the poor and helpless, in dispensing comfort in distress, and in offering to the weary the hope of a future life. Moufang makes much more demand on the State than on the Church, in this also disagreeing with Bishop Ketteler's pamphlet. He says the State can and must help the poorer classes in four different ways: —

1st. By giving legislative protection. Just as the landlord and the money-lender are legally protected in their rights by the State, so the labourer ought to be legally protected in his property, which are his powers and time of labour. The State ought to give him legal security against being robbed of these, his only property, by the operation of free competition. With this view, Moufang demands the legalisation of working men's associations of various kinds, the prohibition of

Sunday labour, the legal fixing of a normal day of labour, legal restriction of labour of women and children, legal provision against unwholesome workshops, appointment of factory inspectors, and direct legal fixing of the rate of wages. The last point is an important peculiarity in the position of the Catholic Socialists. Moufang contends that competition is a sound enough principle for regulating the price of commodities, but that it is a very unsound one, and a very unsafe one, for determining the price of labour, because he holds that labour is not a commodity. Labour is a man's powers of life; it is the man himself, and the law must see to its protection. The law protects the capitalist in his right to his interest, and surely the labouring man's powers of life are entitled to the same consideration. If an employer says to a capitalist from whom he has borrowed money: "A crisis has come, a depression in trade, and I am no longer able to pay such high interest; I will pay you two-thirds or one-third of the previous rate," what does the capitalist say? He refuses to take it, and why? Simply because he knows that the law will sustain him in his claim. But if the employer says to his labourer: "A depression of trade has come, and I cannot afford you more than two-thirds or one-third of your present wages," what can the labourer do? He has no alternative. He must take the wages offered him or go, and to go means to starve. Why should not the law stand at the labourer's back, as it does at the capitalist's, in enforcing what is right and just? There is no more infraction of freedom in the one case than in the other. Moufang's argument here is based on an illusive analogy; for in the contract for the use of capital the employer agrees to pay a fixed rate of interest so long as he retains the principal, and he can only avail

himself of subsequent falls in the money market by returning the principal and opening a fresh contract; whereas in the contract for the use of labour the employer engages by the week or the day, returning the principal, as it were at the end of that term, and making a new arrangement. The point to be noted, however, is that Moufang's object, like Ketteler's, is to deliver working men from their hand-to-mouth dependence on the current fluctuations of the market; that he thinks there is something not merely pernicious but radically unjust in their treatment under the present system; and that he calls upon the State to institute some regular machinery — a board with compulsory powers, and composed of labourers and magistrates — for fixing everywhere and in every trade a fair day's wages for a fair day's work.

2nd. The State ought to give pecuniary help. It advances money on easy terms to railway schemes; why should it not offer working men cheap loans for sound co-operative enterprises? Of course it ought to make a keen preliminary examination of the projects proposed, and keep a sharp look-out against swindling or ill-considered schemes; but if the project is sound and likely, it should be ready to lend the requisite capital at a low interest. This proposal of starting productive associations on State credit is an important divergence from Ketteler, who, in his pamphlet, condemns it as a violation of the rights of property.

3rd. The State ought to reduce the taxes and military burdens of the labouring classes.

4th. The State ought to fetter the domination of the money power, and especially to check excesses of speculation, and control the operations of the Stock Exchange.

From this programme it appears that the Catholic movement goes a long way with the socialists in their cries of wrong, but only a short way in their plans of redress. Moufang's proposals may be wise or unwise, but they contemplate only corrections of the present industrial system, and not its reconstruction. Many Liberals are disposed to favour the idea of establishing courts of conciliation with compulsory powers, and Bismarck himself once said, before the socialists showed themselves unpatriotic at the time of the French war, that he saw no reason why the State, which gave large sums for agricultural experiments, should not spend something in giving co-operative production a fair trial. The plans of labour courts and of State credit to approved co-operative undertakings are far from the socialist schemes of the abolition of private property in the instruments of production, and the systematic regulation of all industry by the State; and they afford no fair ground for the fear, which many persons of ability entertain, of "an alliance" — to use Bismarck's phrase — "between the black International and the red." Bishop Martensen holds Catholicism to be essentially socialistic, because it suppresses all individual rights and freedom in the intellectual sphere, as socialism does in the economical. But men may detest private judgment without taking the least offence at private property. A bigot need not be a socialist, any more than a socialist a bigot, though each stifles the principle of individuality in one department of things. If there is to be any alliance between the Church and socialism, it will be not because the former has been trained, under an iron organisation, to cherish a horror of individuality and a passion for an economical organisation as rigid as its own ecclesiastical one, but it will

be because the Church happens to have a distinct political interest at the time in cultivating good relations with a new political force. How far Moufang and his associates have been influenced by this kind of consideration we cannot pretend to judge, but the sympathy they show is not so much with the socialists as with the labouring classes generally, and their movement is meant so far to take the wind from socialism, whether with the mere view of filling their own sails with it or no.

No voice was raised in the Protestant Churches on the social question till 1878. They suffer from their absolute dependence on the State, and have become churches of doctors and professors, without effective practical interest or initiative, and without that strong popular sympathy of a certain kind which almost necessarily pervades the atmosphere of a Church like the Catholic, which pits itself against States, and knows that its power of doing so rests, in the last analysis, on its hold over the hearts of the people. The Home Missionary Society indeed discussed the question from time to time, but chiefly in connection with the effects of the socialist propaganda on the religious condition of the country; and it was this aspect of the subject that eventually stirred a section of the orthodox Evangelical clergy to take practical action. They asked themselves how it was that the working classes were so largely adopting the desolate atheistic opinions which were found associated with the socialist movement, when the Church offered to gather them under her wing, and brighten their life with the comforts and encouragements of Christian faith and hope. They felt strongly that they must take more interest in the temporal welfare of the working classes than they had hitherto done, and must apply the ethical and social principles of

Christianity to the solution of economical problems and the promotion of social reform. In short, they sought to present Christianity as the labourer's friend. The leaders of this movement were men of much inferior calibre to those of the corresponding Catholic movement. The principal of them were Rudolph Todt, a pastor at Barentheim in Old Preignitz, who published in 1878 a book on "Radical German Socialism and Christian Society," which created considerable sensation; and Stöcker, one of the Court preachers at Berlin, a member of the Prussian Diet, and an ardent promoter of reactionary policy in various directions. He is a warm advocate of denominational education, and of extending the power of the Crown, of the State, and of the landed class; and he was a prime mover in the Jew-baiting movement which excited Germany a few years ago. This antipathy to the Jews has been for many years a cardinal tendency of the "Agrarians," a small political group mainly of nobles and great landed proprietors, with whom Stöcker frequently allies himself, and who profess to treat all political questions from a strictly Christian stand-point, but work almost exclusively to assert the interests of the landowners against the growing ascendency of the commercial and financial classes, among whom Jews occupy an eminent place. We mention this anti-Jewish agitation here to point out that, while no doubt fed by other passions also, one of its chief ingredients is that same antagonism to the *bourgeoisie* — compounded of envy of their success, contempt for their money-seeking spirit, and anger at their supposed expropriation of the rest of society — which animates all forms of continental socialism, and has already proved a very dangerous political force in the French Revolution of 1848.

Todt's work is designed to set forth the social principles and mission of Christianity on the basis of a critical investigation of the New Testament, which he believes to be an authoritative guide on economical as well as moral and dogmatic questions. He says that to solve the social problem, we must take political economy in the one hand, the scientific literature of socialism in the other, and keep the New Testament before us. As the result of his examination, he condemns the existing industrial *régime* as being decidedly unchristian, and declares the general principles of socialism, and even its main concrete proposals, to be directly prescribed and countenanced by Holy Writ. Like all who assume the name of socialist, he cherishes a marked repugnance to the economical doctrines of modern Liberalism, the leaven of the *bourgeoisie;* and much of his work is devoted to show the inner affinity of Christianity and socialism, and the inner antagonism between Christianity and Manchesterdom. He goes so far as to say that every active Christian who makes conscience of his faith has a socialistic vein in him, and that every socialist, however hostile he may be to the Christian religion, has an unconscious Christianity in his heart; whereas, on the other hand, the merely nominal Christian, who has never really got out of his natural state, is always a spiritual Manchestrist, worshipping *laissez faire, laissez aller*, with his whole soul, and that a Manchestrist is never in reality a true and sound Christian, however much he may usurp the name. Christianity and socialism are engaged in a common work, trying to make the reality of things correspond better with an ideal state; and in doing their work they rely on the same ethical principle, the love of our neighbour, and they repudiate the Manchester idolatry of self-

interest. The socialist ideas of liberty, equality, and fraternity are part and parcel of the Christian system; and the socialist ideas of solidarity of interests, of co-operative production, and of democracy have all a direct biblical foundation, in the constitution and customs of the Church, and in the apostolic teaching regarding it.

Radical socialism, according to Todt, consists of three elements: first, in economics, communism; second, in politics, republicanism; third, in religion, atheism. Under the last head, of course, there is no analogy, but direct contradiction, between socialism and Christianity; but Todt deplores the atheism that prevails among the socialists as not merely an error, but a fatal inconsistency. If socialism would but base its demands on the Gospel, he says, it would be resistless, and all labourers would flow to it; but atheistic socialism can never fulfil its own promises, and issues a draft which Christianity alone has the power to meet. It is hopeless to think of founding an enduring democratic State on the principles of liberty, equality, and fraternity, unless these principles are always sustained and reinvigorated by the Divine fraternal love that flows from faith in Jesus Christ.

As to the second principle of socialism, Todt says, that while Holy Scripture contains no direct prescription on the point, it may be inferentially established that a republic is the form of government that is most harmonious with the Christian ideal. His deduction of this is peculiar. The Divine government of the world, he owns, is monarchical, but then it is a government which cannot be copied by sinful men, and therefore cannot have been meant as a pattern for them. But God, he says, has established His Church on earth as a visible type of His own invisible providential govern-

ment, and the Church is a "republic under an eternal President, sitting by free choice of the people, Jesus Christ." This is both fanciful and false, for Christ is an absolute ruler, and no mere minister of the popular will; and there is not the remotest ground for founding a system of Biblical politics on the constitution of the Church. But it shows the length Todt is disposed to go to conciliate the favour of the socialists.

But the most important element of socialism is its third or economical principle — communism; and this he represents to be entirely in harmony with the economical ideal of the New Testament. He describes the communistic idea as consisting of two parts: first, the general principles of liberty, equality, and fraternity, which he finds directly involved in the scriptural doctrines of moral responsibility, of men's common origin and redemption, and of the law of love; and second, the transformation of all private property in the instruments of production into common property, which includes three points: (*a*) the abolition of the present wages system; (*b*) giving the labourer the full product of his labour; and (*c*) associated labour. As to the first two of these points, Todt pronounces the present wages system to be thoroughly unjust, because it robs the labourer of the full product of his labour; and because unjust, it is unchristian. He accepts the ordinary socialist teaching about "the iron and cruel law." He accepts, too, Marx's theory of value, and declares it to be unanswerable; and he therefore finds no difficulty in saying that Christianity condemns a system which in his opinion grinds the faces of the labouring classes with incessant toil, filches from them the just reward of their work, and leaves them to hover hopelessly on the margin of destitution. If there is any scheme that prom-

ises effectually to cure this condition of things, Christianity will also approve of that scheme; and such a scheme he discovers in the socialist proposal of collective property and associated labour. This proposal, however, derives direct countenance, he maintains, from the New Testament. It is supported by the texts which describe the Church as an organism under the figure of a body with many members, by the example of the common bag of the twelve, and by the communism of the primitive church of Jerusalem. But the texts about the Church as an organism have no real bearing on the subject at all; for the Church is not meant to be an authoritative pattern either for political or for economical organisation; and besides, the figure of the body and its members would apply better to Bastiat's theory of the natural harmony of interests than to the socialist idea of the solidarity of interests. Then the common bag of the disciples did not prevent them from having boats and other instruments of production of their own individual property; and we know that the communism of the primitive church of Jerusalem (which was a decided economical failure, for the poverty of that church had to be repeatedly relieved by collections in other parts of Christendom) was not a community of property, but, what is a higher thing, a community of use, and that it was not compulsory but spontaneous.

Todt, however, after seeming thus to commit himself and Christianity without reserve to socialism, suddenly shrinks from his own boldness, and draws back. Collective property may be countenanced by Scripture, but he finds private property to be as much or even more so; and he cannot on any consideration consent to the abolition of private property by force. It was right enough to abolish slavery by force, for slavery is an

unchristian institution. But though private property is certainly founded on selfishness, there are so many examples of it presented before us in the New Testament without condemnation, that Todt shrinks from pronouncing it to be an unchristian institution. Collective property may be better, but private property will never disappear till selfishness is swallowed up of love; and a triumph of socialism at present, while its disciples are unbelievers and have not Christ, the fount of love, in their hearts, would involve society in much more serious evils than those which it seeks to remove. Todt's socialism, therefore, is not a thing of the present, but an ideal of the distant future, to be realised after Christian proprietors have come of their own accord to give up their estates, and socialists have all been converted to Christianity. For the present, in spite of his stern view of the great wrong and injustice the working classes suffer, Todt has no remedy to suggest, except that things would be better if proprietors learnt more to regard their wealth as a trust of which they were only stewards, and if employers treated their workmen with the personal consideration due to Christian brothers; and he thinks the cultivation of this spirit ought to be more expressly aimed at in the work of the Church. This is probably, after all, the sum of what Christianity has to say on the subject; but it seems a poor result of so much figuring and flourishing, to end in a general truth which can give no offence even in Manchester.

Soon after the publication of Todt's book, Stöcker and some Evangelical friends founded two associations, for the purpose of dealing with the social question from a Christian point of view, and established a newspaper, the *Staats-Socialist*, to advocate their opinions. Of the

two associations, one, the Central Union for Social Reform, was composed of persons belonging to the educated classes — professors, manufacturers, landowners, and clergymen; and the other, the Christian Social Working Men's Party, consisted of working men alone. This movement was received on all sides with unqualified disapprobation. The press, Liberal and Conservative alike, spoke with contemptuous dislike of this *Mucker-Socialismus*, and said they preferred the socialists in blouse to the socialists in surplice. The Social Democrats rose against it with virulence, and held meetings, both of men and of women, at which they glorified atheism and bitterly attacked the clergy and religion. Even the higher dignitaries of the Church held coldly aloof or were even openly hostile. Stöcker met all this opposition with unflinching spirit, convened public meetings in Berlin to promote his cause, and confronted the socialist leaders on the platform. The movement gave promise of fair success. In a few months seven hundred pastors, besides many from other professions, including Dr. Koegel, Court preacher, and Dr. Buchsel, a German Superintendent, had enrolled themselves in the Central Union for Social Reform; and the Christian Social Working Men's Party had seventeen hundred members in Berlin, and a considerable number throughout the provinces. But its progress was interrupted by the Anti-Socialist Bill, passed soon after in the same year, which put an end to meetings of socialists; and since this measure was supported, though hesitatingly, by Stöcker and his leading allies, it has probably impaired their influence with the labouring classes.

The principles of this party, as stated in their programme, may be said generally to be that a decided

social question exists, in the increasing gulf between rich and poor, and the increasing want of economical security in the labourer's life; that this question cannot possibly be solved by social democracy, because social democracy is unpractical, unchristian, and unpatriotic; and that it can only be solved by means of an extensive intervention on the part of a strong and monarchical State, aided by the religious factors in the national life. The State ought to provide by statute a regular organisation of the working classes according to their trades, authorising the trades-unions to represent the labourers as against their employers, rendering these unions legally liable for the contracts entered into by their members, assuming a control of their funds, regulating the apprentice system, creating compulsory insurance funds, etc. Then it ought to protect the labourers by prohibiting Sunday labour, by fixing a normal day of labour, and by insisting on the sound sanitary condition of workshops. Further, it ought to manage the State and communal property in a spirit favourable to the working class, and to introduce high luxury taxes, a progressive income-tax, and a progressive legacy duty, both according to extent of bequest and distance of relationship. These very comprehensive reforms are, however, held to be inadequate without the spread of a Christian spirit of mutual consideration into the relations of master and workman, and of Christian faith, hope, and love into family life. Moreover, they are not to be expected from a parliamentary government in which the commercial classes have excessive influence, and hence the Christian Socialists lay great stress on the monarchical element, and would give the monarch absolute power to introduce social reforms without parliamentary co-operation and even in face of parliament-

ary opposition. We have seen that Todt was disposed to favour a republican form of government, but probably, like the Czar Nicholas, he has no positive objection to any other save the constitutional. His party has certainly adopted a very Radical social programme, but it is above all a Conservative group, seeking to resist the revolutionary and materialistic tendencies of socialism, and to rally the great German working class once more round the standard of God, King, and Fatherland.

CHAPTER VII.

RUSSIAN NIHILISM.

HAXTHAUSEN, writing in 1847, said that Russia had nothing to fear from the revolutionary tendencies which then threatened the other states of Europe, because its own "healthy internal organisation" — by which he meant its communal land system — saved it from pauperism, and consequently protected it from the very possibility of entertaining socialistic doctrines. These doctrines had, in the west, been bred among the proletariate, the large class of society who had no property, no stable source of income, no steady employment, and no sure hope for the morrow; and there was no class of this kind in Russia. From the communistic system of land tenure instituted in that country, every man had a right to his bit of ground, and possessed accordingly a certain guarantee against want; and it was, therefore, very natural to infer, as Haxthausen did, that since the proletariate condition of life had absolutely no existence in Russia, the political principles to which it gave birth could not possibly come into being there either. But at the very time he wrote, the revolutionary spirit had already begun to move on the face of the waters of Russian society, and the doctrines of communism and socialism had drawn a positive stimulus from that very "healthy internal organisation," which he believed to be an impregnable bulwark against them. The first

beginnings of the present revolutionary movement may be traced back to a remarkable group of young men of culture and social position in the city of Moscow, who, at the period when Haxthausen was exploring so successfully the institutions of Russia, were passing days and nights in high debate on history and politics and philosophy, mourning together over the past development of their country, and, under the influence of the romanticist writers and the Hegelian philosophy, dreaming dreams of a better destiny for her in the future.

Up till that time the Russians had been, as Caadeff said, a people without a people's history. The country had increased enormously in geographical extent; it had developed immense military strength; it had completed the centralisation of its administrative system; and it had at length gained what was the crowning object of its ambition since the days of Peter the Great, a recognised place among the powers of Europe: but all this was a progress of the State alone, which brought with it no corresponding progress of the nation. The people were still exactly what they were centuries before the Romanoffs ascended the throne. Peter had, it is true, sought to leaven his people to some extent with the ideas and results of western civilisation, but his reforms were dominated more by the desire to catch the eye of Europe than to benefit the population of Russia; and the impulse which he communicated contracted itself after his day more and more into this narrow groove, producing a state of society which was most unwholesome and mischievous. Under Catherine the one consideration that settled the fate of any measure was the question, what would be thought of it in Europe? and though she established great schools here and there in her dominions, which excited the admiration of foreign

travellers, she frankly owned that she had no wish to see such institutions becoming more general. "My dear prince," said Her Majesty to one of her favourites, "do not complain that the Russians have no desire for instruction, for if I found schools, it is for Europe, where it is necessary to retain our rank in public opinion; but if the day came when the peasants would be educated, neither you nor I should be able to retain our places."

She sought to gain the importance of a European power without parting with the authority of an Asiatic despot, and to effect this double purpose two things were necessary. On the one hand, the court and the classes that moved about the throne must be refined with the culture of the western nations, whose recognition was courted; on the other hand, the mass of the people must be left in the contented and loyal ignorance that raised no embarrassing questions. The result of this policy was a spectacle sad and ridiculous in the extreme. The upper classes, with Russian quickness, answered only too readily to the fashion prescribed by the court. They cast aside their native costumes and put on the plain prosaic dress of the Franks; they shaved off their Russian beards and trimmed their whiskers like the English; they abjured even their mother tongue and spoke in French. Half a century ago the Privy Council of Russia conducted its proceedings in French; many of the noblesse knew no more of Russian than a Highland laird may do of Gaelic, and the whole educated part of the community was filled with a servile spirit of imitation of western manners and culture. It was a proverb that if it rained in Paris they put up their umbrellas in St. Petersburg, for their eyes were always in the west. They patched themselves with

any purple rag of European civilisation that struck their fancy, and then strutted haughtily in this borrowed and often very inappropriate glory like negroes of the Congo in boots and jackets, treating their own countrymen as an inferior race. In their ambition to be European they had, in fact, ceased to be Russian in interest or heart. Russia had become two nations, foreign to one another in language, in manners, in sentiment. But this century of intellectual servitude was not an unmixed evil, and history will find a justification of it in consequences which were not designed to proceed from it but could not so well have come from anything else. It was a 'prentice period, in which Russia got her intellectual start. It may be grotesque to swim on bladders, but it often helps the swimmer to strike out for himself; and the Russian zeal for western culture, though poor in its motives and perverse in its direction, did, at all events, bring the educated mind of the country fairly into contact with European ideas, and these European ideas did serve to some extent to fertilise Russian life. It is impossible to learn the language of foreigners without being more or less touched by their thought, and feeling the impact of their intellectual freedom.

Now fifty years ago educated Russia gave signs that this lesson had been learnt, that its juvenile period of imitation was drawing to a close, and that it was about to assume a more independent position. A native literature began to arise, a new interest was taken in Russian history and institutions, and the younger generation was stirred by a strong reaction against the skin-deep Europeanising tendency of the previous age. This tendency had never wanted its bitter opponents in Russia, but it had not till now been opposed by men

who had themselves come under its influence. It had been condemned by conservative landowners and "old believers," who thought the world would go wrong if the year were reckoned from the first of January instead of the first of September, and who counted shaving the latest subtlety of Satan. But now it was men who had themselves bowed the knee to European culture that stood up against the false and slavish idolatry it had become fashionable to pay it. They had merely drunk deeper of the Pierian spring. Their fathers had dealt with the wisdom of the West like barbarians who were not used to it; the new generation dealt with it like men who had been civilised by it. They not merely wore its garb, but they imbibed some of its spirit, they assimilated some of its forces and principles, they caught some of its ruling ideas; and among others, the principle of giving free play to the nature of things, which then enjoyed great authority through the romanticist writers; the principle of nationality which has since changed half the face of Europe; and the principle of historical evolution which was then rising into ascendancy through the influence of Hegel.

The coterie of young men in Moscow, already mentioned, felt the full force of these influences. Hegel, in particular, was to them as their Bible. Alexander Herzen tells us in his interesting autobiographic sketches how closely they studied everything that came from his pen, how they devoted nights and weeks to clearing up the meaning of individual passages in his works, and how greedily they devoured every new pamphlet which issued from the German press upon any part of his system. And as with the Bible, so with Hegel. They claimed his authority for the most opposite views, which had in many cases grown in their

minds under other influences than his, but which they were eager to shelter under one of his general formulæ. Their differences grew more defined as they continued their disputations, and especially when they descended from the icy and uninhabited zone of the problems of knowing and being, and began to discuss the merits of catholicism, orthodoxy, and free thought, of autocracy and republicanism, of competition and socialism, of Russian and western civilisation, they fairly parted into two, or rather three, separate camps, which may be said to be the parents of the three chief political parties in the Russia of the present day; the Liberals or Westlings, the Revolutionists and the Slavophils. The Liberals indeed existed before. They were general admirers of the institutions of the western nations, and strove to conform those of Russia to them as much as possible. The Revolutionists and Slavophils, however, may be said to have taken their first origin in that cultivated circle. Alexander Herzen and Michael Bakunin were the leading minds on the one side, and the two brothers Kirieffsky, Chomyakoff, the two Aksakoffs, Sumarin and Kosheleff were the leaders of the other. The two parties had hardly a single positive opinion in common, but they were knit together by certain inarticulate fundamental sympathies to such an extent that Herzen speaks of the Slavophils as *nos amis les ennemis ou plutôt nos ennemis les amis*. Their sympathies lay in their common attitude to the time. Both were confident that a new departure was at hand for Russia, and especially for the Russian people, and both were therefore penetrated with a certain popular and democratic interest not then usual in Russia, although each would realise it in its own way. The position of a political party can never be perfectly understood until we under-

stand also the position of its opponents and allies; and we may naturally expect to be better able to comprehend the nature of the present revolutionary movement if we consider it in the light reflected upon it by the partly collateral, partly antagonistic principles of the Slavophils.

The Slavophil is a mixture of the philosopher and the Jingo, intensely patriotic with an honest instinctive patriotism, which, in a just recoil from the shallow and servile Europeanizing tendencies of Russian society in the previous generation, has run to the contrary extreme, and idolises Russian institutions because they are Russian, exactly as people had before for the same reason despised them. The Slavophil, however, is nationalist, because he is first philosophical, and he floats his nationalism on general conceptions and principles drawn from economical science and the philosophy of history. The principle of nationality is the basis both of the foreign and of the internal policy he advocates. Community of creed and language is taken at once to prescribe the true limits of states, and to furnish the true channels for the development of peoples. Their new Panslavist enthusiasm, however, is very much old national ambition writ larger, for the Slavophils are far from thinking that Russia ought to release her hold of the Baltic provinces because they are German, or of the Swedish provinces because they are Swedish, but they strongly insist that, being the chief Slavonic and Orthodox power, she should gather under her wing every tribe and family who at once speak a Slavonic dialect and adhere to the Greek rite, or for that matter, do the one without the other. Their nationalism, however, is of more concern to us here in its application to domestic politics. They hold that a nation must move

all together if it is to move at all, and that it cannot move all together, except in and through those common national forces and institutions which have made it what it is. If, accordingly, Russia is to have a future, it can only be by developing instead of susperseding those social, economical, and ecclesiastical forms and peculiarities which have been the bone and muscle of its life for centuries. Russian civilisation is not merely European civilisation in a less perfect stage, but is something quite different in essence, and made up of different constituents, and it ought, therefore, to be left to work out its own evolution in its own way. Hence the extreme impatience with which they regard the un-Russian policy introduced by Peter the Great. They look upon it as a violent interruption of the normal development of the national life, and a diversion of Russia from her true mission; and they would, if they could, blot out the last century and a half of Russian internal history, and restore every dot and stroke of the old Muscovite palimpsest. Their nationalism goes so far as often to carry them entirely out of sympathy with the living nation of the present, and Herzen tells us that Ivan Aksakoff went about Moscow in a dress so national that people in the street took him for a Persian.

Their great aim is to effect a return to the primitive purity of Russian life, before the breath of the west blew on it and blighted it. It is folly, they say, to think of salvation coming from modern European culture, for modern European culture cannot save itself. It is exhausted, sick unto death, and would certainly perish, if the ancient veins of Russian civilisation were not timeously opened to restore it. Instead of religion, western Europe possesses now nothing but an anarchy

of sects, and instead of social harmony, an anarchy of competition. Infidelity and a war of classes are loosening the whole fabric and preparing its downfall. But the Slavophils of Moscow have discovered in Russia the very principles it needs. The first, and in their sight the most important, of these, is a theological principle which would build society once again on faith. It is the undivided eastern orthodoxy, to which Slavonic nations still loyally submit their reason as to the one creed of divine authority. The second is an economical principle, and it would knit society together again in mutual love and mutual deference. It is to be found in the Russian rural commune, which the Slavophils praise beyond all bounds as being free from the selfishness and class antagonism of the economical system of the west; as exemplifying the humility of the Russian character just as the European system exemplifies the pride of the European character; and as effecting a perfect reconciliation between love on the one hand, and freedom on the other. It behooves Russia, consequently, to give up her servile dependence on the western nations, for she is destined to invigorate their decrepitude by communicating to them a "new formula of civilisation." While unimaginative Sir Archibald Alison was teaching the world that there was no function Russia was capable of except to be, like the Huns and Goths of old, "the scourge of vicious civilisation," the Slavophils were cherishing mightier dreams, and thought that so far from being the scourge of vicious civilisation, Russia was to be its redeemer.

Now in all this there is much that is extravagant, much that is erroneous, much that is, to say the least, somewhat inconsistent with the humility it claims for the Russian character. The economical value of the

Russian communal land system is a subject upon which opinion is much divided even in Russia; and as for the Eastern orthodoxy, a faith which is to be founded on a renunciation of the exercise of private judgment, is certainly not worth possessing, and cannot contribute either to manly character or national progress. But underneath all these contentions of the Slavophils there is one idea which it is their lasting merit to have kept before the minds of their countrymen. That is the idea that the people is more than the State, that it has a unity, a continuous life, and a worth all its own, and that no development is really progress which does not carry the people with it, and grow naturally out of existing conditions of their historical life. The very extravagance of their views has contributed to awaken a deeper historical national consciousness in the Russian mind, and to make men feel that Russia is not the court nor the governing classes, but that what makes Russia Russia is its people, with their simple faith, their hereditary character, and their ancient institutions. The agitation of the Slavophils accordingly helped powerfully to swell that tide in the course of things which has within the present century made the common people of Russia an object of political interest, and to a certain extent a repository of political influence. A nationalist party is always conservative and reactionary, but the conservatism of the Slavophils chimed in very closely with the radicalism of the Revolutionists. Their teaching had a strongly democratic tendency. Their great cry was the necessity of going to the people, as they phrased it. The genius, the instincts, the institutions of the people were to be the guide and inspiration of future political development. They sought to return to the time before Peter, but then the time before Peter was more demo-

cratic in its organisation than the present, and they wished strongly to revive the power of the church, and the old semstvos or deliberative assemblies of landowners. Many of them entertained the idea of a great representative assembly for the whole nation as being the only means by which the genuine culture of the Slavonic race could make itself felt on the government of the country. Then they are almost socialist in their admiration for the rural commune, and, like the socialists, they preach it as a universal panacea. Their nationalist pride took delight in the prospect opened by the remark of Cavour that the nations of the West had less to fear from the great armies of Russia than from her communal land system. Imperialist and Orthodox as they were, they had thus considerable affinity with the cosmopolitan and proselytising communism of the Revolutionists. "Socialism," said Herzen, "is the bridge on which we" (the Slavophils and his own party) "can reach hands." Though neither democrats nor socialists themselves, they have filled the sails of both, and have really done more than either in Russia to make the opinion of the people a factor in politics, and to concentrate interest and expectations upon socialistic institutions. It was natural therefore that Herzen, as we have seen, should regard them as a kind of enemy who were really friends, and that the Russian emigrants in London should look to the Slavophils and the Poles as their two chief allies in the revolution they anticipated.

Except at this one point, however, the revolutionary party differed from every one of the positive views of the Slavophils; and Herzen's criticism of their position is extremely just and vigorous. He says it is neither more nor less than a futile attempt to make history go back, and that whatever opinion may be held as to the

value of the movement inaugurated by Peter the Great, that movement must now be taken as an accomplished fact, which had actually influenced Russian life for a hundred and fifty years, and which it was therefore folly to think of treating as if it had never occurred. By doing so the Slavophils were simply going out of harmony with the living nation of to-day to enter into a useless sympathy with the cold bones of a nation dead and buried centuries before. It was well to return to the people, as they said, but they took a wrong method of getting into contact and union with the people. Instead of trying to bring the people up to the level of intelligence they had reached themselves, they sought rather to accommodate their own intelligence to the lower standard of the people. They would abjure the freedom of western science and submit their intellect to the authority of a stagnant church, whose principles were neither necessary nor serviceable for the development of Slavonic society. He condemns their religious bigotry, and he condemns still more strongly their chauvinism, their exclusive patriotism, their "Judaic sentiment of national pre-eminence," their "aristocratic pretension to purity of blood." He acknowledges heartily, however, that they did valuable service in drawing public attention to certain elements in the national life which were being smothered under an artificial civilisation. He participates of course in their admiration for the *artel* or labourers' association and the commune, but he says that they forget that in regard to such institutions the great thing is not to maintain them in the frigid immobility of Asiatic crystallisation, but, on the contrary, to adhere to their fundamental principles, and then allow considerable freedom and flexibility in applying them to the new

requirements of the time. Moreover, he rejects entirely their partiality for the Czardom. He holds that socialism and despotism exclude one another; that there is no *via media*, such as they dream of, which shall allow fair room and play for both; that despotism is a thing of the past which cannot much longer endure, and that socialism is the system of the future. Socialism would supplant monarchy, it would supersede religion. It is "society without government;" it is "terrestrial religion," "the religion of man," without God or heaven. "It is the completion of Christianity and the realisation of the Revolution. Christianity has made the slave a son of man; the Revolution has emancipated him into a citizen; socialism will make him a *man*." Russia would probably play a leading part in introducing this new era, because Russian society was already to such an important extent constituted on a socialistic basis. In that event he has no particular wish that Russia should remain Russia. On the contrary, he is a cosmopolitan communist. He would abolish the Byzantine and all other churches, the Czardom and all other central authorities, and would leave the world a cellular mass of petty agricultural and industrial communes, which were to be at perfect liberty to unite themselves if they saw meet in such federations as seemed convenient. He says that "Slav peoples do not like either the idea of the State or the idea of centralisation. They like to live in scattered communes, aloof if possible from government intervention. They detest the State soldier, they detest the police. Federation will perhaps be the most national form for the Slavs." ("La Russie et le Vieux Monde," p. 29.) Herzen's statements here are probably no more exact than most other generalisations on the character of races, but this idea of a "genial

anarchy," whether it be a constitutional prepossession of the Slavs or no, has always been the favourite social remedy of the Russian revolutionary party. They will have no authority above the rural commune, and no class above the peasantry. All shall alike labour and all shall alike rule, and the world shall be at peace. They sometimes throw in, as Herzen does here, the prospect of subsequent federation, but that is a matter for the future. What lies to their hand now is to level to the dust everything that exalts itself over the peasant, to relieve society of every higher power that now crushes it into a unity that is against nature, and to resolve it into its component atoms: but then they think the atom can live by itself, and live better by itself, for the atom is the rural commune, and the evils that now afflict and compress its life — wars and taxation and insufficient land — are all results of vicious legislation and vicious administration on the part of a supreme authority.

M. de Laveleye has pointed out a striking difference between the Extreme Left of the revolutionists to-day and the Extreme Left of the revolutionists in 1793. The Jacobins overthrew the Girondists because the Girondists advocated federalism; the wilder faction of the socialists broke off from the International because the International rejected federalism. The change is perhaps partly due to the fact that the extremer section of contemporary socialists have been guided by Russian leaders, who have always had before their mind the thought of their own Russian rural commune. A belief in the industrial commune and a disbelief in everything else have always been the ruling features in the revolutionary tradition of Russia. We have been viewing that tradition in its cradle. We have seen it coming

into being under the combined influence of a humanistic philosophy, of the democratic aspirations of the time, and of a patriotic admiration for the communistic land system of the country. We shall now follow it through its subsequent phases, and we shall find that while suffering modifications, as was natural, from the impact of events, it has preserved a substantial continuity from first to last. It is often said that Herzen was no nihilist, and that he would have disclaimed all sympathy with the views and aims of the revolutionary party of our day. And he was certainly much less violent than they are, much less impatient, much less reckless, for he was a man of the world and of thought. He would have lent no countenance to the plots and assassinations that engross so much of their attention. But if his methods of action were more regular, his ideal was essentially the same as theirs: let all authority, divine and human, he contended, be laid low, and let emancipated mankind spontaneously rearrange itself in federations of autonomous communes. Herzenism was in fact just anarchic socialism, the nihilism of our own time.

But though revolutionary socialism was thus taught in Russia so far back as the decade of the '40s, it never gathered any strength till after the Crimean war. The conspiracy of Petracheffsky in 1849 was of a socialist character, but though it proceeded from a wide-spread organisation, it was the feeblest and most easily suppressed of all the continental *émeutes* of that revolutionary epoch. The vigorous hand of Nicholas lay on the nation. With him absolutism reached that almost perfect realisation of type which things sometimes assume just before their decay. The fate of every interest and energy in great part of two continents was enchained to the one sovereign will of this "Emperor

and Autocrat of all the Russias." Of him, and through him, and for him, were all things in his vast dominions, and the whole life of his great empire lay flat and muffled before him as under the oppressive hush of a Siberian frost. But with the disasters to his arms in the Crimea the ice began to break. Men got to breathe and speak more freely. His rule had been so irksome that it overcame for the moment the patriotic feelings of his people, and every fresh defeat his forces sustained was hailed in Russia with angry delight as a humiliation inflicted upon the Czar, and was turned into an occasion for general complaint against his whole system of administration. His death, which occurred just as this storm was gathering, only gave it the freer scope, and when it became known that his successor was inclined to grant some popular concessions, the rush of expectation joined with the long pent-up discontent to produce a most restless fervour for liberty and reform.

The Crimean war, though a reverse for Russia, was by no means a national calamity. It rang out the old order and rang in the new. It was the beginning of the end of the absolute autocracy of the Czar. Had Nicholas triumphed in the Crimea the Czardom would have been ramparted with such an impression of its military omnipotence as would have enabled it for many years longer to resist all disintegrating forces, whether of bureaucratic corruption on the one hand, or increasing popular intelligence on the other. But his defeat abroad weakened his authority at home, and even had he lived he would have found it impossible to sway the destinies of all the Russias as he had hitherto done by his own solitary initiative. His son and successor had neither his father's thirst for power nor his gift of ascendancy, and he showed no disposition to contend

against the course things were taking. The result is that the Czar of Russia, though nominally an absolute monarch, has never since the Crimean war been able to exercise absolute rule. The ancient Czardom is virtually gone, for a Czar who cannot take any important step without consulting public opinion, and who can even be compelled by public opinion into taking one against his personal will (as was the case in the war 1877–8), is no longer the Czar of history, who knew no other rule but his mere good pleasure. There is no regular constitutional limitation to his prerogative, but the press, the various political clubs and factions, and other adventitious organs of opinion, exercise an influence greater perhaps than if there were. The power which Herzen wielded by his *Kolokol* (Bell), though wielded from London, between the Crimean war and the Polish insurrection, and the power Katkoff exercised by his *Moscow Gazette* after the latter event, are probably unique in the history of journalism.

The *Bell* began to sound at a time when men's minds were peculiarly predisposed to listen to its peals. Their blood was moved by their consciousness of greater liberty, and by the preparations for serf-emancipation, the promises of judicial reform, local government, and other further measures. A spirit of blame, of change, of innovation was abroad, and society seemed disposed to moult every feather and make all things new. The *Bell* chimed close with this temper. It touched every fibre of it, and woke a thrill of concord in the common heart of the nation. It entered with the recommendation of a forbidden joy. Its name was not mentioned above the breath, for the press was not yet free. This lent it not only interest but weight. If anonymity adds to the importance of journalism, secrecy does so still

more, for it is more impressive to the imagination; and a government prohibition reflects upon a newspaper the importance of the government which issues it. The *Bell*, however, had vigour and ability enough to have been influential anywhere. It was written with wit, with point, with knowledge, with literary power; it exposed abuses and attacked authorities with a freedom before unknown in the country; it spoke what most men thought, but few would venture to express; and the consequence was that it was greedily read and zealously distributed everywhere. Contraband though it was, it found its way into the hands of all classes, and the extent of its circulation may be inferred from the fact that at a single fair at Nishni Novgorod as many as 100,000 copies, which were supposed to have entered the country through Asia, were confiscated in one day. A solitary exile in London, Herzen exercised for some years from an obscure printing office in the Caledonian Road all the power of a formidable political opposition to the Emperor and Autocrat of all the Russias. What was especially relished was his criticism of the Government and his free handling of everything which had been previously thought too sacred to be touched. He spread greatly among his countrymen a revolutionary and iconoclastic spirit, that demanded of everything established and accepted that it should show cause why it should not cease to exist, and he secured a wide adhesion to his own peculiar political and philosophical creed. For a time Herzenism became the rage, and communistic views ran some seasons of high popularity among the young men of the educated classes in Russia, at a time when they had died down in France, and had not yet begun to shoot up again in Germany.

Herzenism had its day and ceased to be, or, at least,

under the influence of new events, it changed its form, as other forces do; and after the Polish war we find the name of Herzen no longer the power it was, and Herzenism attenuated into a movement which has also considerably altered its complexion under the influence of subsequent events, but which has since that time passed by the denomination of nihilism. According to a recent writer Herzen's name lost its spell because it was then for the first time pronounced. Although everybody knew that Herzen was the editor of the *Kolokol*, no one had before ventured to name him in public as such, but now Katkoff, who differed from him entirely about the Polish rebellion, and saw that it was necessary for the Russian cause to impair the influence of the *Kolokol*, attacked Herzen vigorously by name. The mystery that surrounded his figure was dispersed, and he became weak as other men. There may be some force in this, but the main reason for the decline of Herzen's influence was manifestly the access of patriotic feeling which rose to meet the Polish insurrection, and which Herzen's declared sympathy with the insurgents naturally repelled. The Poles, as one of the discontented elements in Russian society, had always been regarded by him as probable auxiliaries in future contingencies, and since, moreover, their cause was identified with that of freedom, he threw himself into it with fervour. This step separated him irrevocably from the Slavophils, who had hitherto rather strengthened his hands in his assaults upon the existing order of things. The Slavophils had shared in popular movements so far that when the Polish war broke out it was at first doubted to which side their sympathies would be lent, but when Katkoff stood up stoutly for the necessity of supporting the Czar out and out, in

defending the integrity of his empire and suppressing the rebellion, and of breaking the power of the Polish nobility, he carried them and the whole nation with him, and Herzenism was for the moment discredited and cast into the shade. In the shade it bred nihilism in its rankest and most typical form.

We possess various accounts of the meaning and nature of nihilism, and they all agree substantially in their description of it. The word was first employed by Turgenieff in his novel "Fathers and Sons," where Arcadi Petrovitch surprises his father and uncle by describing his friend Bazaroff as a nihilist. Turgenieff, it may be mentioned, was a friend of Bakunin's, and, indeed, lived with him for a time in Berlin. He may therefore be taken as a competent interpreter of a phase of opinion which is identified with Bakunin's name.

"A nihilist," said Nicholas Petrovitch. "This word must come from the Latin *nihil*, nothing, as far as I can judge, and consequently it signifies a man who recognises nothing."

"Or rather who respects nothing," said Paul Petrovitch.

"A man who looks at everything from a critical point of view," said Arcadi.

"Does not that come to the same thing?" asked his uncle.

"No, not at all. A nihilist is a man who bows before no authority, who accepts no principle without examination, no matter what credit the principle has." . . .

"Yes, before we had Hegelians; now we have nihilists. We shall see what you will do to exist in nothingness, in a vacuum, as if under an air pump."

Pypin says that Bazaroff was not a true or typical nihilist, but a considerable consensus of testimony goes to confirm Turgenieff's representation of the character. Celestine tells us that whether Bazaroff is a typical nihilist or no, he himself personally knew many Bazaroffs in Russia in the decade of the sixties.

Koscheleff, writing in 1874, gives a similar explanation of nihilism. "Our disease is a disease of character, and the most dangerous possible. We suffer from a fatal unbelief in everything. We have ceased to believe in this or in that, not because we have studied the subject thoroughly and become convinced of the untenability of our views, but only because some author or another in Germany or England holds this or that doctrine to be unfounded. Our nihilism is a thing of a quite peculiar character. It is not, as in the West, the result of long falsely-directed philosophical studies and ways of thinking, nor is it the fruit of an imperfect social organisation. It is an entirely different thing from that. The wind has blown it to us, and the wind will blow it from us again. Our nihilists are simply Radicals. Their loud speeches, their fault-finding, their strong assertions, are grounded on nothing. They borrow negative views from foreign authors, and repeat them and magnify them *ad nauseam*, and treat persons of another way of thinking as absurd and antiquated people who continue to cherish exploded ideas and customs. The chief cause of the spread of this (I will not say doctrine, for I cannot honour it with such a name, but) sect is this, that it imparts its communications in secret conversations, so that, for one thing, it cannot be publicly criticised and refuted, and, for another, it charms by the fascination of the forbidden."

The same view of nihilism precisely is presented to us by Schedo Ferroti (Baron Fircks) in his very clear and thoughtful exposition and criticism of the movement in his work on *L'Avenir de la Russie*. According to him nihilism is neither the creed of a sect nor the doctrine of a school, nor the programme of a party. There is nothing in it of the nature of a system of fixed

opinions capable of being expounded and applied, or of becoming in any sense the direct object of a propaganda. He represents it, like Turgenieff, as being nothing more than an intellectual temper, or rather he goes a little beyond Turgenieff, and makes it an intellectual distemper. It is a moral infirmity of contemporary society, and takes different colours from the different minds it attacks. It is, moreover, an infirmity by no means confined to Russia. All Europe is more or less penetrated with the nihilist spirit, and every country has its nihilists, though in Russia alone have they forced themselves upon public notice and attracted the embarrassing attentions of the Government. Nihilism, in short, is simply the critical spirit pushed to an extreme and left without any belief in anything but itself. The characteristic trait of nihilism is, he says, self-satisfaction, self-confidence without bounds, and amounting even to a sentiment of admiration, mingled with surprise, for the lucidity of its own intelligence. The nihilist believes himself superior to all thinkers, past and present; rejects with disdain every result which human research has established, and admits nothing as true but his own arbitrary and infallible judgments. Nihilism is primarily a rebellion of the intellect against all authority, all that is accepted, all that is established, all that is sacred. It will own no superior and brook no restraint. The nihilist seeks to be his own God, king, father. He declares the authority of father over child to be as obsolete and objectionable an absurdity as that of ruler over people or of Creator over creature. He seeks to dissolve State, commune, church, family; to break every bond that holds things together, because in holding them together it limits their individual freedom, and to make the race a mass of atoms, each of which should

exert the same unlimited freedom in action as the critical intellect exerts in thought. The political position of nihilists is only a particular application of their attitude to things in general. They go beyond all other revolutionists in two respects. In the first place, while other revolutionists may have entertained extravagant conceptions of the rights of man, and of the possibility of realising absolute personal freedom under ordinary human conditions, they have always believed in the necessity of society, of one kind of definite organisation or another, as the indispensable instrument of guaranteeing the individual in his rights. They have never thought, for example, of disputing the necessity of submission to the vote of a majority, or of respect to the majesty of existing law. They may occasionally attempt the impossible, but nihilists go farther, and find beyond the impossible a more impossible still, for they would reject the tyranny of a majority as much as the tyranny of an autocrat, and would resent the external restraint of law as much as the external restraint of arbitrary will. In the next place, most other revolutionists have some positive scheme of a renovated society, however imperfect it may be, which gives a motive to their immediate work of destruction. The nihilist is bent on nothing but destroying, and has no thought or notion of how he is to build up again. He knows what he thinks wrong; whatever is is wrong; but he has no idea how it is to be put right, or whether in general there is so much as a right at all. He cannot be called democrat, republican, communist, or utopian of any kind or degree, for his one intent is to destroy the whole existing order of things, and he is content to trust to the chapter of accidents for a better. There was, according to the same authority, only one positive ele-

ment in the whole agitation, and that element was imported into it about the time of the Polish insurrection, and only remained with it for a few years. It was patriotism. It is always the unexpected that happens with this perverse and volatile generation, and nothing could have been less expected beforehand than that this upsetting and revolutionary party, who used to rage against the Czar, should turn vehemently Chauvinist on the first serious rebellion against his authority. Yet the nihilists forsook Herzen because he sympathised with the Poles, and Schedo Ferroti distinctly tells us that without becoming in other respects less negative than before, they for some years raved as much as the Slavophils about the glory and greatness of their country. They had merely caught the last mode. Russian society was at the time infected with a boastful spirit whose *naïve* extravagances are sharply satirised by Turgenieff. Men vaunted the military superiority of their country; they were numerous enough "to bury their enemies with their caps;" above all, they prided themselves on their "superior instinct" — "the rich Russian nature" — which, as they believed, was beginning to outshine the other nations in art, in literature, in music, in science, and all by force of an inborn genius which had no need to take trouble or receive training. "Some young people among us," says Turgenieff, "have discovered even a Russian arithmetic. Two and two do make four with us as well as elsewhere, but more pompously, it would seem. All this," he adds, "is nothing but the stammering of men who are just awaking."

Herzen, writing in 1869, describes nihilism in substantially analogous terms. It is the most perfect freedom from all accepted ideas, and from all traditional

prejudices which hinder the march of intellect. He adds, "When Belinsky heard a friend say that mind came to consciousness in man, and could not accept the remark, he was a nihilist. When Bakunin accused the Berlin professors of timidity, and the Paris revolutionists of 1848 of conservatism, he was a nihilist. When Petracheffsky and his followers were condemned to hard labour because (so the sentence ran) they sought to overturn all divine and human laws, and destroy the whole foundations of society, they were nihilists." The nihilist was one who went beyond the most Radical position ventured upon at the time either in thought or action. Belinsky, though a Liberal in politics, was not a revolutionist, and Petracheffsky is said to have been a disciple of the French communists, and to have desired a social transformation in their sense, yet because Belinsky found the pantheistic idealism of Hegel too positive for him, and because Petracheffsky sought to introduce his reconstruction by first destroying the existing system, they are classed by Herzen along with Michael Bakunin, who would have nothing to do with mind, or God, or State, or country. Nihilism, according to this view of it, is very much the habit and attitude of denial. It would expand or contract its dimensions with the number of positions which it denied, and it would assume different complexions according to the particular position which chiefly inflamed its denial at the moment. A certain variability thus appertained to it by nature. Like certain animals, it shifted its hue with the ground it happened to occupy.

The leading intellectual lights of this phase of nihilism were Tchernycheffsky and Bakunin. Tchernycheffsky was a metaphysician, an economist, and a romance writer, and exercised during his brief literary

career (1855–1863) a remarkable influence over the youthful intellect of the day. His chief works are his treatise on John Stuart Mill, partly a translation and partly a criticism from a socialistic stand-point, and his nihilist novel, "What to do," published in 1863. This book met with such wide popularity that the Government sent him to Siberia for it, where he still remains, and it has enjoyed an almost canonical authority among the nihilists ever since this martyrdom, as they consider it, of its author. Bakunin was of much less importance as a writer than Tchernycheffsky. He has published nothing but a few pamphlets and polemical tracts on occasional subjects. But his activity was indefatigable in private society, in secret organisations, at congresses of various sorts, and he has done more than any other single person not merely to keep alive the nihilist agitation in Russia itself, but even more to spread it among the Latin peoples of the south of Europe. Unlike Tchernycheffsky, he belonged to an aristocratic family. He was the nephew of an ambassador, and the cousin of General Mouravieff. He was bred in the army, but being sent with his regiment to Poland he conceived such a hatred of the despotism he saw in operation there, that he resigned his commission and returned to Moscow. Here he was well received in the intellectual and thoughtful circle that gathered round Belinsky, and made himself conspicuous amongst them by his zeal for the philosophy of Hegel. In 1846 he went to Germany, made the acquaintance of Arnold Ruge and the Young Hegelians of the Left, and wrote for the *Halle Jahrbucher*, under the signature of Jules Elizard. He went to Paris in 1847, but was not suffered to remain long there, and accordingly returned to Germany, where he took a leading part in the Dresden

insurrection of 1849. He was taken prisoner and condemned to death, but the sentence being commuted to penal servitude for life, he was claimed by the Russian Government, and committed to the fortress of Petropauloffsky at St. Petersburg. His imprisonment was commuted in 1857 by the late Czar to exile for life in Siberia, from whence, however, he contrived to escape to England by way of Japan and the United States in 1861. His twelve years of seclusion from the world had only maddened his energy, instead of crushing it; and he came out thinking and speaking of himself as a Prometheus unbound, with a mission to overthrow the powers and systems that were. At first he looked chiefly to Russia as his field of operations — his own Russia, of which he still spoke with an exuberant nationalism. He wrote from London in 1861 that while he still ardently sympathised with the work of liberating mankind in general, he intended to devote the rest of his life exclusively to the interests of Russians, Poles, and Slavs; and his nationalism is more logical than that of the Slavophils, for, says he, "let us banish the Tartars to the East, and the Germans to Germany, and let us be a true and purely Russian nation." It is more logical, but it is not less selfish, for they would make Russia Slavonic by Russianising the foreigners, and he by expelling them. His nationalism went the length of a furious hatred of the Germans, worthy of the most vehement of the Slavophils. In a pamphlet entitled *Romanoff, Pougatchef or Pestel*, quoted by M. de Laveleye, he cries: "Oh! war against the Germans is a good work, and one indispensable for the Slavs. Liberty must be restored to our brethren of Poland, of Lithuania, of the Ukraine, and deliverance be brought to the Slavs who groan under the yoke of

Teutons and Turks. Alliance with Italy, Hungary, Roumania, and Greece against Prussia, Austria, and Turkey." But though he was not as yet emancipated from the "antiquated prejudice of nationality," he was of course entirely opposed to the Czardom. His aim, as he said, was "the realisation of that dream which was cherished by all Slavs, the constitution of a great and free panslavonic federation."

By 1868 his nationalist fervour had blown off, and he appears in the congress of the Peace League at Berne in that year, an enemy not of one State as opposed to another, but of the existence of any State at all. He would abolish the State under every form whatsoever, and he would abolish religion and all hereditary rights, and make all men for the first time absolutely equal by affording them the same maintenance, the same starting-point, the same opportunities of education and culture, and the same means of industry. This dream of perfect equality was to be realised, not by means of laws, but by the essential nature of the organisation of industrial society itself, in which every man would have to work with his head as well as his hands. This organisation, however, he would not allow to be called communistic. "Communism," says he, "I abhor, because it is the negation of liberty, and without liberty I cannot imagine anything truly human to exist. I abhor it because it concentrates all the strength of society in the State, and squanders that strength in its service. I abhor it because it places all property in the hands of the State, whereas my principle is the abolition of the State itself. I want the organisation of society and the distribution of property to proceed upwards from below by the free operation of society itself, and not downwards from above by the dictate of authority. I want

the abolition of personal hereditary property, which is merely an institution of the State and a consequence of State principles. In this sense I am a collectivist, not a communist." Collectivism is thus the constitution of society into voluntary productive associations, to originate by spontaneous action, and to endure without any external guarantee for the permanent enjoyment of their rights. This is, however, rather a consideration for the future than for the present; the one concern of immediate moment is to reduce existing society to a *tabula rasa* on which the new order of things may imprint itself. All existing social forms must be swept away together and not a wrack left behind, lest it should become the nucleus for eventually bringing back all the rest.

In 1869 he founded an association called the "Alliance of Socialist Democracy," to promote his views. The programme of this association says: "The Alliance declares itself atheistic. It desires the definitive and entire abolition of classes, and the political, economical, and social equalisation of the two sexes. It desires land, the instruments of production, and all other capital to become entirely the property of the collective society, and to be utilised by labourers only, that is, by agricultural and industrial associations. It recognises that all political and authoritative States actually existing ought to disappear in the universal union of free associations." The Alliance further declares that it desires "a universal revolution, at once social, philosophical, economical, and political, in order that first in Europe and then in the rest of the world there may not remain one stone upon another of the existing order of things, founded on property, on exploitation, on the principle of authority, whether religious, metaphysical,

bourgeoisement doctrinaire, or even *jacobinement révolutionaire*. To the cry of 'Peace to the labourers! liberty to all the oppressed!' and of 'Death to tyrants, exploiters, and patrons of every sort!' we wish to destroy all States and all churches, with all their institutions and laws, religious, political, juridical, financial, police, academical, economical, and social, in order that all those millions of poor human beings, deceived, enslaved, tormented, exploited, may at length breathe with perfect freedom, being delivered from all their directors and benefactors, whether official or officious, whether associations or individuals." In short, their work is to strip mankind of the whole growth of civilisation and restore it to a primitive chaos without form and void, "to produce," as their phrase is, "a perfect amorphism."

But how is a revolution like this to be accomplished? Well, "revolutions are neither accomplished by individuals nor by secret societies. They come of themselves, products of the movement of ideas and events. But a secret society can do something to spread in the mind of the masses the ideas which are pushing on towards revolution, and it can afterwards constitute a revolutionary directorate capable of guiding the convulsion when it breaks out. For the international organisation of the Revolution a hundred devoted and closely united men are sufficient." It was with this view of preparing and fomenting the Revolution that Bakunin established his Alliance. It was partly a public and partly a secret society, and in spite of the objection of its author to centralisation, it was as centralised an organisation as the Society of Jesus or the Carbonari. Consistency, however, is no quality of the nihilist or of the Russian. Impressionable natures may be found all things by turns, or even, for that matter, together. This Alliance was

composed of three orders of members: 1st, the hundred "international brothers" already mentioned, who were personally known to one another and possessed the sole control of everything; 2nd, the "national brothers" who were appointed by the "international brothers," but were kept in entire ignorance of the very existence of the international organisation, and were set to work to stir up revolution in their own respective countries; and 3rd, simple adherents, members of local associations whose only duty was to ask no questions and to obey orders when the hour arrived. This Alliance dissolved itself in the year of its birth, in order that its several sections might one by one join the International Working Men's Association. Bakunin's ideas seemed to gain ground in the International, and by means of its ramifications they spread with extraordinary rapidity in Spain and Italy. He was one of the forerunners of the Paris Commune of March, 1871, for so early as the 28th of September, 1870, less than four weeks after the fall of the Empire, he organised an insurrection at Lyons on the principles of the Commune. He issued a decree abolishing the State, and thought the opportunity had at last come for introducing his ideal *régime* of a federation of independent urban and rural communes. But his insurrection was speedily suppressed by a couple of regiments of National Guards, and he himself retired to Geneva and is not heard of again till the meeting of the International at the Hague in 1872. When he entered that Association, with the other members of his Alliance, it must have been on the understanding that the question of centralism or federalism, or, in other words, the question of the abolition of the State, should remain for the meantime in abeyance, as being of no immediate practical significance. But the *émeute* at Lyons, and

especially the revolution of the Paris Commune, had in the interval made it a question of the day and it could no longer remain open. It was, therefore, brought up at the International Congress in 1872, and Bakunin was defeated and expelled from the Association.

This difference as to the aim of the Revolution was not the only quarrel between the two sides; there was also a difference as to the means to be used to accomplish it. The German socialists at this time still adhered to the policy of legal and peaceful means, of gaining power gradually at the elections. It was not till 1879 that they were provoked by the persecutions to which they were subjected by the German Government, to delete from their statutes the qualification of seeking their ends by legal means. But Bakunin and the nihilists were even then, like Bismarck, all for "blood and iron," and the events of the recent revolution had made this question one of great practical interest at the time. The International was not a secret society, and always strongly insisted that open propagandism was more suitable to modern conditions and more likely to lead to success. But Bakunin's Alliance of Socialist Democracy which joined it was a secret society, and both its founder and its members had faith in no methods of operation but those which the old secret societies were driven to practice in unhappier times. He had no belief in the efficiency of open discussion, and little confidence in the possibility of the revolutionary party gaining a decisive ascendency at the elections. He seems to have thought the first condition of the success of a revolutionary minority was to create in the public mind a strong impression that they were already a majority, and that their cause was certain to triumph. This could only be done by arson and assassination, committed often and

in many quarters, and as audaciously as possible, by a society working in darkness. The secrecy, simultaneity, and audacity of the crimes were all means of exciting the imagination and fears of the people, and of inducing them to submit to a power which appeared to beset them behind and before, so that it was hopeless to resist it. M. de Laveleye, to whom I am indebted for many particulars in this account of Bakunin, quotes a passage from a pamphlet printed by him at Geneva in Russian and for Russia, and entitled "The Principles of the Revolution," in which he says: "Admitting no other activity than that of destruction, we declare that the forms in which that activity ought to express itself may bed extremely varied — poison, poniard, knout. The Revolution sanctifies all without distinction." Further, he says that to get to the gloomy city of "Pandestruction," the first requisite is "a series of assassinations and audacious, or even mad, enterprises, horrifying the powerful and dazzling the people, till they believe in the triumph of the Revolution." The same doctrine was held by the socialist lodges which stood by Bakunin and erected a separate International Association, and was always preached by their organs. The Jurassian Federation of the International published a journal, called the *Bulletin*, which in its number of 4th March, 1876, took notice of the manifesto of some French socialists in New York, which demanded that in the future all reactionaries should be put to death without remorse. To this the *Bulletin* replied that hatred was a bad adviser, and that the reactionaries were numbered by millions, for they included not only magistrates, priests, functionaries, and proprietors, but even the great mass of the people who understood nothing of humanitarian collectivism. "By universal suffrage," said

the *Bulletin*, we should have only half a million of votes; then all the rest would have to be slain, which would be impossible. The essential thing is to put leaders out of the way, and for that some thousands of heads would suffice." Similar teaching occurs in the socialist prints of Belgium, Spain, Italy, and elsewhere. The assassination of sovereigns and officials is sometimes further defended on the ground that it is only a just retaliation for their unwarranted judicial murders — or administrative murders — of revolutionists, and that it is really not assassination but war. This was the position openly taken up by Mirsky in his defence before a Russian court of justice. If the Czar or his subordinates killed or banished a citizen without law or trial, the citizen had the same right to kill or banish the Czar or his subordinates without law. The nihilists were, in fact, belligerents and not criminals; only they were belligerents without an army, who had to make war with the best weapons they possessed.

How well Bakunin's counsels have been followed in Russia is only too manifest in the history of the last decade. He died in 1876 at Berne, but his work has not followed him. After many successive attempts, the death of the Czar Alexander II. was at last effectually accomplished in February, 1881, and many subordinate officers of State have perished violently at various times during the period. A Russian programme of a nihilist organisation, which fell into the hands of the German authorities at Königsberg in March, 1876, breathes the most rabid spirit of universal destruction, but lays down principles of a sort of economy of assassination. It says that "the only revolution that can bring salvation to the people is one which uproots the idea of the State and buries all traditions, ordinances,

and classes of the Russian empire in its ruins. The aim of this society is to emancipate the people from every organisation proceeding from above them. The future organisation will without doubt issue from the gift and life of the people, but that is the affair of future generations. Our task is the most terrifying, ruthless, universal destruction." But in this work they are not to run-a-muck blindly, but to proceed with calculation. Paragraph 16 says: "It is necessary to consider the comparative utility for the revolution of the death of any particular persons. In the first degree of utility stand those persons who are the most dangerous of all for the revolutionary organisation, and whose death — a sudden and violent one — may frighten the government extremely and shake its power."

This resort to assassination was one of the points on which Herzen differed entirely from Bakunin and the later nihilists, and indeed from the time of the Polish insurrection till his death in 1870 Herzen was out of harmonious relations with the revolutionary party he had done so much to create. He must have trembled sometimes at the sight of his own handiwork. He had helped to raise a spectre he had no power to lay. When Bakunin arrived from Siberia he used to contribute to the *Kolokol*, and was for a time its editor, but he and Herzen quarrelled and apparently never made it up again. Events in Russia were keeping the public mind in continual political excitement and carrying the volatile Russian nature to lengths which the more sober and disciplined understanding of Herzen could not approve. Herzen accordingly constantly decreased, while the wilder Bakunin constantly increased. When Herzen expressed his strong condemnation of the first attempt upon Czar Alexander's life made by Karakozoff,

he was denounced as a traitor for doing so by both the Geneva and the Moscow committees of the nihilists, or as they mystically styled themselves, the "Cosmopoetic Society of the Guardians of the True Light." When seen in the "true light," Karakozoff was declared to be "a poet in deeds like Christ," "a true son of God," "a disinterested saint," "the true light that was made flesh and dwelt among us." Regicide, they said, was not murder when it was committed to confer liberty upon "the people of God, called the Russian people;" and Herzen was "a traitor to the Creator and to humanity" for saying otherwise. These documents are cited by Schedo Ferroti, and while they bear out his idea of nihilism being something diseased, they seem to show that it was in some cases not so absolutely and nakedly negative as he represents it to be. The men who used the expressions just quoted were mystics but not atheists, and their nihilism only extended to the overthrow of the czardom, and perhaps other institutions, political or religious. But nihilists may vary much in the extent of their negation and yet find some common basis for working together in the particular enmity which is of most immediate practical concern at the moment. That enmity seems from first to last to be an antipathy to the czardom and the bureaucracy, and whatever phases the movement may successively assume this political streak of red always runs through the middle of it. In the decade of the sixties the political element in it seems to have been for a time eclipsed by the intellectual and philosophical, but since then it has again assumed the foremost place. The political symptoms were not absent then, nor are the intellectual now, but the epidemic has somewhat changed its type because the air has become heavier with political change.

There are many persons — Madame de Novikoff among others — who assert that nihilism is still nothing different from what Schedo Ferroti and Turgenieff represented it to be in their time. They declare it to be a passing intellectual disease, which has seized hold of the educated classes of Russia in consequence of their imperfect mental discipline and their native excitability of character, and with which it is morally impossible to infect the peasantry or any other uneducated men. A certain measure of education is its necessary condition, and, as Ferroti and Kosheleff agree in saying, a more perfect measure is its surest cure. I believe this view to be erroneous, but it is still certain that neither the nihilism of to-day nor the nihilism of twenty years ago can be explained without taking into consideration those peculiarities of national life and character to which these writers refer.

In the first place, the Russians are in national character exceedingly impressionable, volatile, and predisposed to run into extremes. Diderot said they were rotten before they were ripe, and his remark lays the finger on a tendency which they undoubtedly betray. They are quick in taking up new ideas, they engage themselves for a time with nothing else, and they carry them rapidly to the utmost length they are capable of going. New movements sprout readily, run up to a rank growth, and go to seed. The comparatively large proportion of women among the nihilists is partly due to the circumstance that they have a double share of this impressionable nature — one as Russians and one as women. It is partly due to the peculiarity that in Russia the women have much more independence and initiative than the men. Custine in mentioning this fact gives as a reason for it that under bad govern-

ments women are less oppressed than men. Whatever be the explanation, they certainly enjoy social rights and liberties which are denied them in Western Europe. "In Russia," says Haxthausen, "the woman reigns, the man governs. In all ranks of life the women are better off than the men. They do much less work. The men light the fires and do the household work even, the wives looking after baby. Among the *bourgeoisie* the wife does nothing the whole day. She has not the slightest idea of housekeeping. The husband directs the housekeeping. Among the rich the females are better educated, but educated as women of fashion, not as housewives." Nicolai Karlowitch says that the reason why women are more independent in Russia than elsewhere is that "the poverty of their parents and brothers generally makes it easy for them to throw off the yoke and to do for themselves, instead of remaining as a burden on their male relatives." Then, the laws of Russia for the separate property of the wife as against the husband and of the mother as against the children, are more favourable than in any other country, and give an industrious woman great independence with regard to the product of her labour. Then again, in many cases the women occupy seats at the communal assemblies, especially when the men in the village are few or are absent from home. And we know that no country has done more for the higher education of women than Russia. It has established gymnasia and progymnasia for them as well as for the young men. In 1872 there were 500 female students attending medical classes in St. Petersburg; in 1873 there were 73 Russian female medical students at Zurich. All this indicates the existence of a greater degree of social equality between the sexes in Russia than elsewhere; and this,

in turn, sufficiently explains the exceptional proportion of female members in nihilist societies, as compared even with revolutionary factions in other countries. No doubt it may seem singular that Russian women who already enjoy exceptional independence, both legal and social, should catch so sharply the clamour for female emancipation, for "becoming man," as their phrase is, for taking their place in the world as men do, and not in the family alone, according to what they style the old "Harem or Boudoir" view of woman's sphere; but that is entirely of a piece with the parallel paradox that a country like Russia, which has no proletariate, should give birth to that consuming zeal for the emancipation of labour from capital which has appeared from time to time in the speeches of Solovieff and other nihilist conspirators when on their trial, and in various nihilist manifestoes which have been made public. Every new wind of doctrine carries them away. It ought to be said, however, that if the nihilists look upon the institution of the family as a survival from an inferior state of society, their opinion seems for the most part to have remained matter of theory. According to the most trustworthy authorities, the representations given on this point in popular novels are exaggerated and misleading, and what are called "nihilist marriages," which occasionally occur, appear to be perfectly regular marriages, only they are entered into not with any view to co-habitation, but merely to give the wife more freedom to go out as a missionary of nihilist opinions than she could possess if she remained single. The usual account of this sort of fictitious marriage, as it is sometimes termed, is that the happy pair in many instances see one another at the ceremony for the first time — and for the last. They go immediately their own several ways

and work quietly for the coming kingdom in the sphere allotted to them.

Schedo Ferroti seemed to think that in his time one of the few solitary conservative influences left among the nihilists was their respect for women. The authority of the father was gone, he said, but the influence of the mother still prevailed, because she appealed to the heart rather than to the intelligence. But Nicolai Karlowitch, writing in 1878, tells us that the Russian mothers of the present generation are no protective against nihilism or any other policy that may be novel or fashionable, because they are themselves too much bitten with the temper and spirit which superinduce nihilism. He says that one of the strongest desires of educated women in Russia is to keep up with the age, and one of their strongest fears is to be thought antiquated. They, therefore, live in a kind of dread of being outrun or despised by their own children. "Many parents," says Karlowitch, "who perceive the pernicious influence of this friend or that upon their children, yet do not venture in the circumstances to expel him from the house, because they would be regarded as 'family despots,' and that is 'too antiquated.'" He mentions the case of a highly-educated lady in St. Petersburg who said to a friend, "I bless my son in the name of Lassalle," but when asked who then was Lassalle, and what had he done, she could make no reply. She had merely used his name to show she was not one of those old-world people who believed in Christ. General society in Russia seems thus to be possessed by a perverted intellectual servility. Instead of the thraldom to the traditional, which is current elsewhere, there prevails the more unwholesome thraldom to the novel, which is none the less dangerous because it is a thraldom that

disguises itself under the fiction of emancipation. The young, accordingly, only carry further, as is natural, the ideas and spirit of their elders, and raven for the destruction of beliefs and institutions which the latter are ashamed to defend.

A second peculiarity of Russian life and character to which we are rightly referred as furnishing some assistance towards an explanation of the phenomena of nihilism, is closely allied with the former, and indeed is partly its cause. It is the political and intellectual immaturity of the Russian people. They want the deepness of earth, the strata of deciduous leaves of ages of culture and experience, the cumulative discipline of generations, which instinctively supplies correctives and counterpoises to partial or novel impulses; which accustoms men to go about and about a subject and calculate all its bearings; and which enables them to compare means with ends and one end with another. They yield to the whirl of every new movement, and they make little scruple about pulling down old institutions, because in their simplicity they think it the easiest thing in the world to build them up again. A people accustomed to the exercise of political responsibilities cannot help learning moderation, but a nation which has never been suffered to do anything for itself, if it is once roused to revolt against this despotic over-government, cannot know where to stop. It will almost necessarily take freedom to consist in the absence of all restraint, instead of consisting, as it does, merely in the absence of restraint of a wrong kind. Many people find it a hard lesson to learn, that liberty must be limited to be secure, and that restraint of a right kind, so far from being its antagonist, is one of its first conditions. The narrow rills that are seen breaking in white streaks over the rocky sides of

a mountain or running stealthily between the bushes, sometimes wander about for a time, when they reach the valley, at their own sweet will and lose their identity in some stagnant morass. But near them are others which keep finding a channel for themselves and gather strength as they go till, after fertilising half a continent, they enter the ocean with the majesty and power of a great river. Now, is the channel of such a river, are its banks, a restraint upon its freedom? Nay, it is that channel, it is these banks, that gave it its freedom, that lent it all the force it possesses and prevented it from perishing ere it rightly rose in the ignoble thraldom of marshy ground. So with political liberty; the secret of its permanence is that it finds as it goes its own limitations. But the Russian people have never been permitted to acquire the political experience that could teach them this lesson.

A third feature of Russian life which has contributed to the origin and general character of nihilism is one which is mentioned both by Schedo Ferroti and by Kosheleff, and which ought not to be overlooked. These writers believe that the arbitrary action of the Czar and bureaucracy has directly nursed the nihilistic spirit by destroying all respect for objective law. No law was fixed, and therefore none was sacred. If general laws were laid down to-day they were repealed to-morrow, or were ignored and broken by the officials who were engaged in administering them. Herzen complains — this was in the days of Nicholas and before the reforms of the last reign — that the Russian government was "infatuated with innovation," that "nothing was allowed to remain as it was," that "everything was always being changed," "a new ministry always beginning its work by upsetting that of its predecessors."

Russia was, and for that matter is still, what the Germans call a Functionary-State, as distinguished from a Law-State, and the people had to look for guidance and direction not to fixed laws established by a central legislative authority and administered with unswerving fidelity by judiciary and executive, but merely to the arbitrary and changing decrees of the officials. These decrees seem to have been exceptionally arbitrary and changeable in Russia, and it was impossible from the knowledge of what you were required to do to-day to form any guess as to what you would be required to do to-morrow. Schedo Ferroti says that when the Russian people feel that their officials are disposed to be just, they never think of complaining of the power these officials exercise. But when they found rules and methods in constant flux, and could not feel that to-morrow would be as to-day except in being equally harassing, they got naturally bewildered. They could not entertain any reverence for the law, when the only law they knew was the arbitrary will of continually changing sets of officials, and thus the peculiarities of the imperial system of administration itself tended to spread abroad a restless and lawless spirit.

There are, however, phenomena in the nihilist movement, which none of these causes, nor all of them together, fully explain, and which are inconsistent with the theory that the movement is nothing but the vague and purposeless agitation of a diseased and heady intellectualism, operating upon a half civilised people. The nihilists exhibit a pertinacity, a courage, a self-sacrifice, which cannot be supported without the consciousness of living for a positive cause, without the experience of definite practical evils, and without the hope — cloudy, it may be, but still powerful — of ultimately instituting

a better order of things. A nihilist journal stated about two years ago that as many as 17,000 individuals had been banished administratively for connection with the revolutionary movement during the few preceding years, yet their places were eagerly filled with fresh recruits. Their boldness and their strength alike seem to grow with their misfortunes. Young men of parts and education lay aside their student's gown and serve for years and years as artisans or ploughmen in order to impregnate the lower orders with their principles; and young ladies hire themselves as cooks in the same zeal for the advancement of the cause. In the Revolutionary Catechism, written in cipher, but read at the trial of Netchaïeff in July, 1871, Bakunin describes the good revolutionist thus: — "The revolutionist is a man under a vow. He ought to have no personal interests, no business, no sentiments, no property. He ought to occupy himself entirely with one exclusive interest, with one thought and one passion: the Revolution. . . . He has only one aim, one science: destruction. For that and nothing but that he studied mechanics, physics, chemistry, and medicine. He observes, with the same object, the men, the characters, the positions, and all the conditions of the social order. He despises and hates existing morality. For him everything is moral that favours the triumph of the revolution. Everything is immoral and criminal that hinders it. . . . Between him and society there is war to the death, incessant, irreconcilable. He ought to be prepared to die, to bear torture, and to kill with his own hands all who obstruct the revolution. So much the worse for him if he has in this world any ties of parentage, friendship, or love! He is not a true revolutionist if these attachments stay his arm. In the meantime he ought to live

in the middle of society, feigning to be what he is not. He ought to penetrate everywhere, among high and low alike; into the merchants' office, into the church, into the Government bureaux, into the army, into the literary world, into the secret police, and even into the imperial palace. . . . He must make a list of those who are condemned to death, and expedite their sentence according to the order of their relative iniquities. . . . A new member can only be received into the association by a unanimous vote, and after giving proofs of his merit not in word but in action. Every "companion" ought to have under his hand several revolutionists of the second or third degree, not entirely initiated. He ought to consider them part of the revolutionary capital placed at his disposal, and he ought to use them economically, and so as to extract the greatest possible profit out of them. . . . The most precious element of all are women, completely initiated, and accepting our entire programme. Without their help we can do nothing."

These traits of the good revolutionist have only been too closely imitated. Thousands of men and women give themselves up to this infernal work with the devotion of a Xavier, with the tenacity of a Loyola. Now these people are not demons; if you pricked them they would bleed. Nor are they maniacs: the very theory I am combating alleges that their absurdities and extravagancies, if they stood alone, and were free from their crimes, are not uncharacteristic of the Russian mind, and might find plenty of counterparts in ordinary Russian society. They may be mystics, enthusiasts, fanatics, but they are not products of the critical spirit alone. Mere intellectual negation is not the stuff of which the qualities they exhibit are made. It must be

first weighted with political or social discontent, and animated by political or social hope. And this is so with the nihilists. Their present work is destruction, and they enter upon it with the vehemence of their race. But they are actuated by no love of destruction for its own sake; it is impossible to conceive any considerable body of human beings being so actuated. They would destroy, that others who come after them may build up. They sacrifice themselves for a cause, in whose triumph they shall not share; they work for a generation they shall not live to see. Prince J. Lubomirski, who is no admirer of them or their doings, informs us in his *Le Nihilisme en Russie* (Paris, 1879), that the nihilists say, "After us will come new men with juster views. Having to work out a work already begun, their hands will be more skilful than ours. They shall build; as for us, we shall destroy." He adds that they term themselves destroyers and precursors, and profess what he calls a sort of collective Messiahism. They await not the birth of a man, but the birth of a generation, and they work for it.

Now this is a kind of activity which could not be sustained on the windy vanity of being reputed more advanced than their neighbours, or on the wantonness of intellectual contempt, or the impatient dislike of all restraint and responsibility. The nihilists impose upon themselves restraints from which most men would shrink, and they submit to the rule of a central committee, which is more exacting than any despotism, and of whose personal and local habitation they are probably for the most part kept in ignorance. Of course nothing definite is known of the nature of the nihilist organisation, but it is generally supposed to be fashioned after the model of the earlier secret societies of Russia, and

to consist of groups of ten, every two groups being connected together by an intermediary who is member of both. One group may know nothing of what is being done by another, for the ordinary rank and file are entrusted very sparingly with compromising information, just as we have seen that in Bakunin's Alliance of Socialist Democracy none of the members was aware of the existence of the organisation of "international brothers" except the hundred international brothers themselves. The reason for adopting such an arrangement is obvious. The two chief dangers, which a secret society devoted to political conspiracy has to guard against, are discovery by the police, on the one hand, and betrayal by members on the other. Now, under a constitution like that described, the discovery of any single group leaves the police as much at sea as ever regarding the whole organisation, and the treason of any single member is seldom able to affect more than the particular group he belonged to himself. To avoid these dangers the society is made as much a secret to most of its own members as it is to everybody else, and perhaps even more of a terror. Fidelity within the body is only secured by the same relentless terrorism which is practised against powers and authorities without. This appeared in the Netchaïeff case. Netchaïeff went in 1865 to Moscow and won some converts to the Revolution among the students at the Academy of Agriculture there. He formed them into a committee, which he called the *Russian Branch of the International Working Men's Association*, and the instructions he gave them, which were produced at the trial, show among other things that whatever the International may have aspired to be elsewhere, it was to be worked in Russia as a secret society. "The organisation," says this document,

"is founded on confidence towards the individual. No member knows how far he stands from the centre. Obedience to the orders of the committee ought to be absolute, without objection and without hesitation." Four of the initiated received commissions to enlist fresh adherents, and to found a new group each. One of the four was a philanthropic and much respected young man, named Ivanoff, who had established foundations for poor students, and used to spend his spare hours in teaching peasant children. He came to the conviction, however, that existing misery could not be effectually stopped by individual beneficence, or by anything but a social revolution. For a time he and Netchaïeff got along well together; but one day Netchaïeff posted up revolutionary proclamations in the hospitals Ivanoff had founded for poor students, and the consequence was that these institutions were shut, and their committees of management banished. Ivanoff was deeply grieved, and gave up his connection with the Association. Therefore, to make it impossible for him to betray them, Netchaïeff and two other members of the Association, great friends of Ivanoff's, drew him on some friendly pretext into a quiet garden after night, and shot him dead with a revolver. This is an example of the methods by which fidelity and secrecy are sustained. Such societies may be founded, as Netchaïeff's circular professes on confidence towards individuals, but exactly in proportion to the vitality of their need of mutual confidence is their liability to mutual suspicion. Their members move and have their daily being between two perils, the suspicion of the Government, which is exile, and the suspicion of their own fellows, which is instant death. Steady submission to the discipline, the privation, the danger which nihilists

live under, is certainly no fruit of mere intellectual frivolity that believes nothing, hopes nothing, respects nothing, admires nothing.

I am, of course, far from disputing the influence of the intellectual solvents, to which Russian thought has been subjected for a generation, upon the present movement. Without them, it may be freely acknowledged, the movement would probably never have come into being, but they would not have been able to produce it by themselves, apart from the political discontent, the political changes, and the political restlessness of the reign of the last Czar. Many causes combined to aggravate and spread under Alexander II. the discontent which had long slumbered under Nicholas. In the first place, Alexander II.'s reign was a reign of political reform, if, indeed, it ought not rather to be called, in the better sense, political revolution, for it is questionable whether any revolution ever carried through so many fundamental innovations with such extraordinary rapidity. The mind of the whole people, their thoughts, their talk, their expectations, their forebodings, were occupied continually with questions of radical reform; and it was inevitable that a considerable unsettling and upheaval of political opinion should attend the development of these changes. Some say nihilism has arisen, because these changes went too fast and too far; and others say, because they did not go either fast or far enough; while M. Anatole Leroy-Beaulieu, who has studied Russia profoundly, says that both views are right. The Czar spread a spirit of disquiet by what he did, and he spread still more by what he left undone, and it was unavoidably so. By political changes, says M. Leroy-Beaulieu, a people may escape revolution, but they cannot escape the revolutionary

spirit. Great reforms create, both before they come and after they pass, a more or less deep-searching popular agitation. Besides, the transition necessarily causes considerable practical dislocations. It harasses some interests by superseding them, while it disappoints the excessive and inexperienced expectations of many others, and there has undoubtedly been a large accession to the malcontents of Russia from these inevitable effects of the recent reforms. But besides this, public opinion in Russia has grown up since the Crimean War into quite unwonted power and maturity, and naturally insists on some more formal organ for its expression, and for securing to it a due control over the course of national affairs. The old grievances of bureaucratic domination are therefore brought now into a fiercer light than before, and encounter a state of public feeling which is much less willing to submit to them. In short, Russia has become at last sufficiently European to be moved by that wave of democratic sentiment before which all other European despotisms have been obliged to bow the head, and she is in reality now face to face with the crisis of her conversion into a modern state. These points will require a little further elucidation, more especially the existence of harassed interests and classes, and the development of a public opinion, already powerful enough to restrain the action of the Czar, and to assert itself against the bureaucracy. Nihilism is fed by this complex dissatisfaction, and is in fact but the form which such dissatisfaction not unnaturally takes in the more volatile and ill-disciplined sections of a volatile and half-educated people.

First, then, as to the ranks of the harassed and the discontented. Most of the nihilists, as appears from their trials, are students, younger members of the small

noblesse, sons and daughters of the clergy, or officials and professional men out of employ. Some of them belong indeed to the high nobility, princes who have lost court favour, or have from genuine political motives joined their fortunes with the opposition, and who naturally assume a prominent and leading place in the movement. Many more of them are Jews, smarting from Christian contumely, and determined perhaps, as Lord Beaconsfield says of the Jews in 1848, to avenge their hereditary sufferings by submerging Christendom in revolution. O. K. insists that nihilism is promoted by Jewish money, and by the countenance of foreign Governments, but she offers no good reason for her allegation. In Russia the Jews have not equal civil rights with the Christians, and they can hardly be expected to entertain any goodwill to an order of things which both by law and usage treats them with contemptuous dislike. But the main body of nihilist recruits are drawn from the classes I have mentioned, the students, the small nobility, the sons of the clergy, and the redundant functionaries. The small nobility were the class that suffered most from the serf emancipation. They were proprietors of a few serfs, who did all their labour, while they themselves held government offices. Before the great reign of Alexander II., these offices were in fact practically occupied by members of this class alone. But now both these resources failed them. Their serfs were freed, without compensation, and they had therefore to pay for the labour on their small property. And they no longer enjoyed an exclusive monopoly of the government offices. The door was opened to other classes, and these classes thronged in. The great unemployed were thus multiplied on every side, for when once the way to civil employment was made

smooth to all, many more pressed forward for admission than there were places for them to receive. The small nobility felt specially aggrieved, but the unsuccessful candidates from other classes were no happier in being left without a career. To make things worse, the army of officials who had managed the redistribution of the soil between the noblesse and their serfs, and the other details of the emancipation — the mediators, as they were termed — were naturally thrown on their own resources again, after that particular work was completed in 1870. Government felt that these mediators possessed certain claims, and tried to provide posts for as many of them as possible in the ordinary departments of public administration. If a mediator did not get a post he thought himself ill used; and if he did get one, why, then, some other person was kept out. Either course increased the plethora of disappointed aspirants for official patronage who besieged the gate of ministers, and as they could not open the gate, they readily caught up a cry to pull down the walls.

No class in the Empire supplies more recruits to the ranks of nihilism than the sons of the clergy. Some of the ecclesiastical colleges have been seed-beds of nihilism, and both at the universities and elsewhere many of the boldest and most active propagators of this desolating political and religious creed are sons of rural "popes." The popes of Russia have no legal privilege, and no social position. They are poor, ill-educated, and treated with supercilious disdain, not only by the noblesse, but by the upper *bourgeoisie;* and they have therefore no reason to cherish those conservative instincts which bind the clergy of so many other lands to the Crown and nobility. Their sons may be said accordingly to be nursed in an atmosphere, which, if not actu-

ally Radical, is yet strongly predisposing to Radicalism. They are always found among the boldest and most active partisans of nihilism at the schools and universities.

The universities, and even the higher schools of Russia, possess as centres for the formation of opinion a political importance which they cannot acquire in a country of free institutions. The ardour of youth, the stimulus of ideas, the facilities of intercourse, all combine to make them a favourable recruiting ground for revolutionary movements, and effective centres for the propagation of revolutionary views. And in Russia during the last twenty years an important change has taken place in the *personnel* of the students at these institutions. Twenty years ago, 60 per cent. of them were sons of the noblesse, and only 40 per cent. sons of the functionaries, the lesser *bourgeoisie*, the clergy, and the peasantry. But to-day only 22 per cent. of them are sons of the noblesse, while 78 per cent. are sons of the other classes mentioned. (These figures are taken from a statistical report on the universities in a Russian professional journal, and are given by M. G. de Molinari in the *Journal des Économistes* for 1878.) The great majority of them are therefore men who have to make their way in the world for themselves; and as M. Taine remarks, every man who has to make his way in the world is a Jacobin at starting. The prevailing spirit among Russian students is very Radical, though, of course, some of them grow more moderate afterwards. Then the students have grievances of their own. Notwithstanding the Russian aptitude for language, the universities and high schools are almost always on the brink of sedition about Greek and Latin. The controversy between classicism and realism, as to the relative

place which classics and science ought to occupy in education, is in the Russian universities a sore question of bread and butter, complicated with a question of political oppression. The standard of classical attainments requisite for a diploma seems to be pitched too high, either for the capacity of the teachers to impart them or of the pupils to acquire them, or for both. An exceptionally large proportion of the candidates fail in Latin and Greek; and since the curriculum is regulated by the minister of education, an aversion to these unpopular studies easily runs into sedition, and war is declared by the students, as has repeatedly been done within the last few years, upon what is described as "the Moloch of autocracy." This is, of course, one of the usual weaknesses of over-government. Even where its intentions are righteous, it multiplies needlessly the occasions of political disaffection. Every petty grievance assumes a political complexion, and ill blood which is spent elsewhere in other channels turns its wrath straight at the head of the Government.

The peasantry have as yet sent few recruits to the nihilist ranks, but they are beginning to send more. At most of the latest nihilist trials, some at least of the accused were peasants, or the sons of peasants, and if distress and discontent are the worst incentives to revolution, then there is no doubt that the peasantry of Russia — taking one part of the country with another — are distressed and discontented in no ordinary degree. In a work recently published on the "*Bäuerliche Gemeinde-besitz in Russland*," Von Keussler gives us the results of a very careful study of their economical condition, and his statements may be relied on, because they are based on official reports, and are entirely free from any partisan interest. His account of their situa-

tion is this, that except in a few Governments the peasants are now very much worse off than they were before their emancipation. He does not attribute this, as is sometimes done, to any increase of drunkenness in consequence of freedom, because, as a matter of fact, drunkenness has not increased except in the immediate neighbourhood of the few large cities. He attributes it to various reasons, but the most fundamental one is simply this, that the objects of the Emancipation Act have been defeated, and the popular benefits it was meant to yield have been largely neutralised in the process of its execution. To begin with, the peasants rarely got all the land they thought themselves entitled to, that is all they had previously possessed and cultivated; their shares were usually clipped under one pretext or another for the advantage of their lords. But this, though now a sore ground of complaint, would not of itself have reduced them to the straits they at present suffer from or have excited the acute discontent they are beginning to manifest. Worse wrongs conspired with it. Nothing is of more vital value to small cultivators than grazing rights over common or forest land, and the Russian peasants have lost theirs since the emancipation. If they would not part with these rights willingly, they were made to part with them unwillingly. The Russian noblesse resorted to precisely the same policy as the English landlords practised with the yeomanry in the time of the Tudors. They kept on harassing the peasantry perpetually, driving away their cattle or carrying them home to their own stalls, till the peasantry, finding that their share in the common cost them so much trouble and entailed so much waste of time in recovering the stolen beasts, were thankful to sell it altogether for little better than

an old song. The consequence of losing their grazing ground, however, was serious. Exactly as in the case of the Highland crofters, it was the first step in their economic decline. They were unable to keep the same number of cattle as they formerly kept; and not having the same amount of manure to bestow on their fields, their soil grew gradually exhausted, and its yearly produce ceased to be adequate to the wants of the cultivator's household. Hence the strange fact that the people are virtually over-crowded in a country with only nine families to the square mile, and — what in the circumstances is certainly not so strange — the growing cry among the peasantry for more land to be cut from the broad acres of the neighbouring noblesse, much of which, indeed, seems to have been their own by right, if the division under the Emancipation Act had only been equitably executed.

This condition of things was still further aggravated by the general break-up of the old patriarchal joint-family system, which took place during the same period, and involved the subdivision of the paternal holding among the several sons and sons-in-law who used to live together with the father under the same roof, and whose several lots of land made up when combined a very considerable holding. This system was attended with so many economies in production and household expenses that its members were able to live in a kind of rude plenty. But the patriarchal household of Russia has departed, and with it has gone the large peasant farm. The consequence is that while the number of peasant holdings has, according to Keussler, "enormously increased," their average size has much diminished, and recourse to a supplementary industry has become generally necessary. But Russia not being an

industrial country, this supplementary industry is often far to seek, and the peasant is therefore obliged to let his farm and emigrate, or to take what work he can get from the neighbouring noble on any terms the noble may choose to offer him. In the latter case, which is very common, he is practically as dependent, economically, on his lord as he was before the Emancipation.

To make matters worse, Russia, like every other great country, has added remarkably to its local taxation during the last twenty years; and the public burdens on the land are said in the official reports, not only to have risen immensely, but to be in many districts "extremely oppressive." In fact, in great part of the country they exceed the revenue of the land they are assessed on; and as the peasant pays taxes of every kind in proportion to the land he holds, the more land he has the poorer he becomes. Land-owning is reduced *ad absurdum* when more is paid in taxes than is received in rent, and it becomes only a more intolerable form of serfdom when the owner cannot get quit of the land and must pay the burdens whether he draws any income or no. For example, the average rent of a peasant's share of land in the Wolost of Aleschino, in the Government of Moscow, is 2 rbl. 20 cop.; in the Wolost of Usmersk, in the same Government, it is 3 rbl.; but the taxes in the former Wolost is 8 r. 60 c., and in the latter, 10 r. 50 c. It is not surprising that 30 per cent. of the peasant families of the former Wolost have had to give up farming, and that in 1879 there were arrears of taxes there to the extent of 16 r. a lot. We can easily understand, therefore, what "Stepniak" mentioned in the *Contemporary Review* for September, 1883, that a peasant, instead of receiving a rent, often paid one to the tenant for taking the farm off his hands for the year.

But though taxation has only reached this head in some Governments, it is severe and excessive in all, and can only be met without privation by the peasants who possess considerable portions of good land. It is aggravated, moreover, by the capricious and venal rule of the collectors.

With a deteriorated agriculture and an increased taxation, the peasant properties have declined much in value; and except in districts passed through by railways, they have sunk much — in some Governments more than 50 per cent. — below their original redemption price. Where this price has never been paid off, there is therefore little chance of it being paid off now; and, in fact, it naturally seems to the peasant as if it were in the circumstances an injustice to extort it from him. Altogether Emancipation has at once increased the grievances of the peasantry and transformed them from grievances against landlords into grievances against the Imperial Government and its agents. The soil is thus laid for revolution, and the nihilists are not slow in lodging the seed. Their harvest, it is true, has not yet been very plenteous. The eighty million peasants seem to be as loyal and unquestioning worshippers of their father on earth, the Czar, as they have ever been; but then they still expect him to be their deliverer, and believe that most of their evils have arisen from the late Czar's intentions being thwarted. Should, however, this deliverance be delayed while their troubles go on growing, and, with increase of population, growing more abundantly, the kingdom of anarchy will be at hand. Russia is closely invested at present with social peril, and it is foolish to feign indifference to the cry of "Land and Liberty," which is now heard more and more frequently in the land, and which would be heard much

oftener and much louder, too, but that the meetings which the peasants began to hold in the country churches for the purpose of agitating the question have been suppressed by the officers of the police.

So far, then, of the distressed interests and classes; now as to the more general causes of political discontent and agitation. And first, the bureaucratic administration of the country has grown more objectionable than ever since the reforming epoch. Of all countries Russia, from its geographical extent and its thin population, is the worst adapted for being governed well by a centralised system, and yet no other country possesses so centralised an administration. The natural consequence is that its affairs are very ill-administered. The bureaucracy has all the usual faults of bureaucracies, and has them more intensely. Its members are dictatorial, meddlesome and corrupt in the extreme. Leroy Beaulieu says that Russia may be described as a despotism tempered by venality, for while nothing is exempt from State regulations and requirements, a certain alleviation of these may always be purchased by feeing an official. Now the bureaucracy were opposed to the reforms. Knowing that these reforms were the beginning of an era which would end in the overthrow of their supremacy, they set themselves to render them as nugatory as possible. This only goaded the public mind by the sting of disappointment and heaped up the more wrath for the day of reckoning which is hastening on. For people felt that liberty had been given them by the one hand only to be taken back again by the other. They had received one after another the three most important popular institutions, a public and independent judicial system, a system of local self-government, and a free press. They had received them in name, but were

practically denied their substance through the action of the bureaucracy. The judicial bench, the local boards, and the press are all over-ridden by the restrictions imposed upon them in doing their duty by the discretionary power reserved in the hands of the central executive authorities. A judge who shows signs of independence finds his position made uncomfortable to him, and even trial by jury is turned into a mere make-believe by the fact that the government is not obliged to bring an accused person to open trial at all, but may send him to Siberia administratively for State reasons, which nobody has a right to challenge. Again, though all Russian subjects have been declared to be equal in the eyes of the law, the officials are practically treated as a privileged class. They are really subject to no legal responsibility, partly because it is feared that the condemnation of a State functionary would tend to weaken the imperial authority, of which he is the incorporate representation, and partly because the bureaucracy have a class sentiment against bringing one another to punishment. Then the press may exist so long as it knows good alone of the government; the moment it knows evil as well as good, it must surely die. The *Golos* was suspended at the beginning of the late war for merely hinting that "society ought to take a direct share" in the preparations for so national an event; and about two years ago the same journal was deprived of the right of publishing advertisements for a certain period, merely because it made mention of the inconvenient circumstance that certain ecclesiastical dignitaries of the "Old Believers" were still lying in exile on account of their religious belief, and suggested that their release would be a fitting solemnity on the occasion of the celebration of the

twenty-fifth anniversary of the Emperor's accession. To grant liberty of the press in principle and yet continually prevent or punish its exercise in practice is only to add the embitterment of mockery and insult to the previous embitterment of impression. Then, as to local boards, the institution of them was a reform of the first importance. It was beginning the growth of self-government at the right end. It is better to practise the people in the art of administration in their own particular sphere before entrusting them with a voice in imperial affairs through a national assembly. The contrary course has been productive of evil in France. But the new local boards of Russia possess in reality no independent initiative whatever, and merely obey the dictates of the State officials of the district. The reforms have thus excited hopes only to disappoint them. Kosheleff declares that the state of affairs is positively worse in Russia since the reforms than it was before them. Mal-administration is rampant, and there exist no means whatever of bringing it to book. The circumstances of Russia, says Kosheleff, are less known in St. Petersburg than those of France, England, or Germany, and the only cure, to his mind, is a universal or representative landed assembly, where disorders of every kind may be brought to open discussion and eventual correction. The radical evil of Russia is the misgovernment it endures at the hands of its bureaucratic administrators, and the only remedy is to supply the State with the usual modern organs; to submit the processes of government to the control of public opinion in some effective way; in short, to break down the autocracy of the Czar — of which, of course, the bureaucracy is but the necessary instrument — and establish the monarchy on a broader and more popular basis.

There are signs that this issue cannot be very long deferred. An independent public opinion has been for many years ripening in Russia, and has more than once since the death of Nicholas broken out with sufficient energy and power to exert a positive influence on the course of events. The war with Turkey in 1877–8 showed for the first time in Russian history that the will of the people had become a real power in the direction of affairs. The Czar and his ministers were opposed to going to war, for they knew the difficulties, military and diplomatic, which the step would involve; but the popular enthusiasm, excited by the Slavophils and the Revolutionists together, was too strong for them to resist, and in the end they were obliged to yield. The nation had at length ventured to measure its strength with the Emperor and had overcome. It had taken the bit in its teeth and had discovered that the hand it used to quail under had lost its cunning and given it its own way. An experience like this makes a landmark in national life and cannot fail to have lasting and important consequences. The people gained a consciousness of its power, and will certainly be disposed hereafter to exercise it. A new force has thus broken into the current of Russian politics, and statesmen must give it a weighty place in their future calculations. The will of the people, which has never counted for anything before, must count for much now; and it will be strange indeed if the new era of popular institutions, which many Russian politicians have been long pointing to, can be much postponed.

The end of the war had nearly as important bearings on the relations of the Czar and its people as its origin. Metternich tells us that Alexander I. once asked Lord Grey how he could introduce a political opposition into

Russia; but his namesake and successor, Alexander II., returned from a victorious war which covered him with no better glory than grey hairs, and found himself encompassed with a whole legion of political oppositions. One of the chief motives which stirred the Slavophil and revolutionary parties to preach a war of liberation abroad, was the hope they cherished of obtaining, as one result from it, some considerable measure of constitutional reform at home. The Slavophils were confident that their great ambition — the uniting of the Slavonic States — would be realised by the war, but they expected at the same time that Slavonic unity would, like Italian unity, open the way for internal reconstruction. Many of the Revolutionists, on the other hand, were not so certain of the omnipotence of the Czar's battalions and preferred to build their hopes on the contingency of his failure, which, they believed, would discredit him and his whole administration so much with his countrymen that he would be obliged, on his return, to make some popular concessions. The path of glory and the path of defeat seemed thus both likely to lead the Czar to divest himself of part of his unlimited power. The result disappointed and even mocked these hopes. The Czar could neither be said to have failed nor to have succeeded. His arms were victorious, but the fruit of victory was plucked from his very grasp by European diplomacy. The Slavophils watched with breathless interest the march of his triumphant forces on almost to the gates of Constantinople, and were deeply disappointed when the army stopped in obedience to European interposition just when they were already in their dreams seeing the cross wave from St. Sophia, and the Byzantine eagle set up again in its original home. They still hoped on, however, and made

sure the mischance was only a temporary difficulty which the practical diplomacy of Gortschakoff would eventually clear away. But when they found that at the Berlin Congress, Russia assented to give up the great prize of her triumphant campaign they were roughly wakened from their dreams, and their rage knew no bounds. They directed the fiercest criticism against the administration, against the whole conduct of the war, and against the Czar himself. As usual, the stores had been deficient, and often uneatable; the soldiers' shoes had been soled with pasteboard instead of leather, so that thousands perished of cold in crossing the mountain snows. The troops were badly officered and badly armed. The officers were absolutely ignorant of the country they were attacking, and the men were armed with a gun so completely behind the age that it could not carry one-fourth the distance of the Turkish rifles. They declared that the Czar would have done better to have given in after the battle of Plevna than to have spent so much more blood to gain such poor results. They declared, moreover, that his heart had never been in the war from the first; that he was afraid it might lead to constitutional changes at home; and that his submission to European dictation, which they held to be in any case pusillanimous and dishonouring to the greatness of Russia, really proceeded from a malevolent distrust of his people on the part of the Czar. They could no longer leave the prestige of their country in hands so faithless. The nation itself must take its own honour now into its own keeping, and assume some direct share in the management of public affairs. Laying their finger on the free constitution which the Czar helped to secure to the Bulgarians as one of the principal results of the war, and recalling

his similar services towards the liberation of Servia and Roumania on former occasions, they asked, with a force which it was difficult to parry, whether these constitutions were to be treated in Russia as articles of export only, and whether Russians were to go on for ever spending their blood and treasure in procuring benefits for others which were denied to themselves.

Now nothing is more natural than that a public opinion which has reached such maturity as that of Russia has now attained, should seek to have a more formal organ for its expression, and nothing is more inevitable than that it must sooner or later obtain it. For opinion which is already strong enough to control the will of the Emperor without a constitution is strong enough also to coerce him into conceding one. No doubt the question of a constitution for a country so extensive and embracing so many diverse races, most of them still half barbarous, is in any circumstances a subject of much perplexity and demanding most serious consideration; and the Czar may feel that it would be a step of very doubtful policy at the present time, when the revolutionary spirit is so rampant among his subjects. Such hesitation is not surprising, but still it cannot be justified on reflection. Seditious agitations have accompanied every popular movement for constitutional reform in all countries, and have always been appealed to by the advocates of the Conservative policy as proofs of the danger of conceding the claims advanced; and yet, when the reform has been granted, the seditions have invariably vanished.

The reason of this is very simple. A party of violence and extreme principles can only thrive in the warmth of the countenance lent it by the less demonstrative disaffection of the more moderate members

of society, and it always withers away when the latter classes are satisfied by timely concessions. Procrastination only swells, instead of mitigating, the revolutionary spirit, for it but prolongs the political unrest from which that spirit is thrown off. The nihilists of Russia are merely the extremer and more volatile minds who have been touched by the impact of the present upheaval. They are the spray and the foam which curls and roars on the ridge of the general political movement which has been for years rolling over Russia, and their whole real importance is borrowed from the volume and momentum of the wave that bears them up. Folly, it has been said, is always weak and ridiculous till wisdom joins it, and the excesses of nihilism, if they stood alone, could not be the source of any formidable danger. But they do not stand alone. They flame out of an atmosphere overcharged with social discontent and political disaffection. The acquittal of Vera Sassulitch was received with undisguised gratification by press and people; Mirsky was a popular hero; and the worst deeds of the nihilists meet with indulgent, if not approving, criticism in general society. One writer, familiar with Russia, assures us that it was no uncommon thing to hear serious men say, "Assassination is execrable, *but* —;" and another mentions that he has heard a high lady in St. Petersburg declare in a large company, in presence of her daughter, that Vera Sassulitch was a great citizen and that she would be proud if one of her daughters had done the like. Nihilism ought therefore to be regarded less as a specific disease in itself than as the secondary symptoms accompanying vice in the general system, and it can be best treated indirectly by measures of agrarian amelioration, and by the substitution of popular for bureaucratic government. The cry,

"land and liberty," undoubtedly represents two broad and real wants of the whole Russian nation, and revolutionary elements will never cease to rage till these essential wants of a modern people are approximately realised.

CHAPTER VIII.

SOCIALISM AND THE SOCIAL QUESTION.

The renewal of the socialist agitation has not been unproductive of advantage, for it has led to a general recognition that the economical position of the people is far from satisfactory and is not free from peril, and that industrial development, on the lines on which it has hitherto been running, offers much less prospect than was at one time believed of effecting any substantial, steady, and progressive improvement in their condition. It is only too manifest that the immense increase of wealth which has marked the present century has been attended with surprisingly little amelioration in the general lot of the people, and it is in no way remarkable that this fact should tend to dishearten the labouring classes, and fill reflecting minds with serious concern. Under the influence of this experience economists of the present day meet socialism in a very different way from Bastiat and the economists of 1848. They entertain no longer the same absolute confidence in the purely beneficent character of the operation of the principles at present guiding the process of industrial evolution, or in the sovereign virtue of competition, unassisted and uncorrected, as an agency for the distribution as well as the production of wealth; and they no longer declare that there is not and cannot possibly be a social question. On the contrary, some of them

take almost as unfavourable a view of the road we are on as the socialists themselves. Mr. Cairnes, who, with the solitary exception of Mill, is perhaps the ablest English economist since Smith, says: "The fund available for those who live by labour tends, in the progress of society, while growing actually larger, to become a constantly smaller fraction of the entire national wealth. If, then, the means of any one class of society are to be permanently limited to this fund, it is evident, assuming that the progress of its members keeps pace with that of other classes, that its material condition in relation to theirs cannot but decline. Now, as it would be futile to expect, on the part of the poorest and most ignorant of the population, self-denial and prudence greater than that actually practised by the classes above them, the circumstances of whose life are much more favourable than theirs for the cultivation of these virtues, the conclusion to which I am brought is this, that unequal as is the distribution of wealth already in this country, the tendency of industrial progress — on the supposition that the present separation between industrial classes is maintained — is towards an inequality greater still. The rich will be growing richer; and the poor, at least relatively, poorer. It seems to me, apart altogether from the question of the labourer's interest, that these are not conditions which furnish a solid basis for a progressive social state; but having regard to that interest, I think the considerations adduced show that the first and indispensable step towards any serious amendment of the labourer's lot is that he should be, in one way or other, lifted out of the groove in which he at present works, and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from

industrial progress" ("Leading Principles," p. 340). He thinks it beyond question that the condition of the labouring population is not so linked to the progress of industrial improvements that we may count on it rising *pari passu* with that progress; because, in the first place, the labourer can only benefit from industrial inventions which cheapen commodities that enter into his expenditure, and the bulk of his expenditure is on agricultural products, which are prevented from being cheapened by the increase of population always increasing the demand for them; and, second, the labourer is practically more and more divorced from the control of capital, and reduced to the position of a recipient of wages, and there is no tendency in wages to grow *pari passu* with the growth of wealth, because the demand for labour, on which, in the last analysis, the rate of wages depends, is always in an increasing degree supplied by inventions which dispense with labour. He is thus debarred from participating in the advantages of industrial progress either as consumer or as producer; as consumer, by over-population, as producer, by his divorce from capital. Mr. Cairnes, like most economists, differs from socialists in thinking that the first requisite for any material improvement in the condition of the labouring classes lies in effective restraints on population, but he says that "even a very great change in the habits of the labouring classes as bearing upon the increase of population — a change far greater than there seems any solid ground for expecting — would be ineffectual, so long as the labourer remains a mere receiver of wages, to accomplish any great improvement in his state; any improvement at all commensurate with what has taken place and may be expected hereafter to take place in the lot of those who derive their livelihood

from the profits of capital" (p. 335). Here he is entirely at one with socialists in believing that the only surety for a sound industrial progress lies in checking the further growth of capitalism by the encouragement of co-operative production, which, by furnishing the labouring classes with a share in the one fund that grows with the growth of wealth, the fund of capital, offers them "the sole means of escape from a harsh and hopeless destiny" (p. 338). Mr. Cairnes, then, agrees with the socialists in declaring that the position of the wage labourer is becoming less and less securely linked with the progressive improvement of society, and that the only hope of the labourer's future lies in his becoming a capitalist by virtue of co-operation; only, of course, he is completely at issue with them in regard to the means by which this change is to be effected, believing that its introduction by the direct intervention of the State would be unnecessary, ineffectual, and pernicious.

I am disposed to think that Mr. Cairnes takes too despondent a view of the possibilities of progress that are comprised in the position of the wage labourer, but it is precisely that view that has lent force to the socialist criticism of the present order of things, and to the socialist calls for a radical transformation by State agency. The main charges brought by socialists against the existing economy are the three following, all of which, they allege, are consequences of the capitalistic management of industry and unregulated competition: —1st, that it tends to reduce wages to the minimum required to give the labourer his daily bread, and that it tends to prevent them from rising above that minimum; 2nd, that it has subjected the labourer's life to innumerable vicissitudes, made trade insecure, mutable and oscillatory, and created relative over-population; and, 3rd,

that it enables and even forces the capitalist to rob the labourer of the whole increase of value which is the fruit of his labour. These are the three great heads of their philippic against modern society; the hopeless oppression of the "iron and cruel law" of necessary wages, the mischief of incessant crises and changes and of the chaotic *régime* of chance, and the iniquity of capital in the light of their doctrine of value. Let us examine them in their order.

I. Socialists found their first charge partly on their interpretation of the actual historical tendency of things, and partly on the teaching of Ricardo and other economists on natural wages. Now, to begin with the question of historical fact, the effect which has been produced by the large system of production on the distribution of wealth and the general condition of the working class, is greatly misconceived by them. So far as the distribution of wealth is concerned, the principal difference that has occurred may be described as the decadence of the lower middle classes, a decline both in the number of persons in proportion to population who enjoy intermediate incomes, and also in the relative amount of the average income they enjoy. Their individual income may be higher than that of the corresponding class 150 or 200 years ago, but it bears a less ratio to the average income of the nation. The reason of this decline is, of course, obvious. The yeomanry, once a seventh of our population, and the small masters in trade have gradually given way before the economical superiority of the large capital or other causes, and modern industry has as yet produced no other class that can, by position and numbers, fill their room; for though, no doubt, the great industries call into being auxiliary industries of various kinds, which are still best managed on the small scale

by independent tradesmen, the number of middling incomes which the greater industries have thus contributed to create has been far short of the number they have extinguished. The same causes have, of course, exercised very important effects on the economic condition of the working class. They have reduced them more and more to the permanent position of wage-labourers, and have left them relatively fewer openings than they once possessed for investing their savings in their own line, and fewer opportunities for the abler and more intelligent of them to rise to a competency. This want may perhaps be ultimately supplied under existing industrial conditions by the modern system of co-operation, which combines some of the advantages of the small capital with some of the advantages of the large, though it lacks one of the chief advantages of both, the energetic, uncontrolled initiative of the individual capitalist. But at present, at any rate, it is premature to expect this, and as things stand, many of the old pathways that linked class with class are now closed without being replaced by modern substitutes, and working men are more purely and permanently wage-labourers than they used to be. But while the wage-labourer has perhaps less chance than before of becoming anything else, it is a mistake to suppose, as is sometimes done, that he is worse off, or even, as is perhaps invariably imagined, that he has a less share in the wealth of the country than he had when the wealth of the country was less. On the contrary, the position of the wage-labourer is really better than it has been for three hundred years. If we turn to the period of the English Revolution, we find that the income which the labourer and his family together were able to earn was habitually insufficient to maintain them in the way they were accustomed to live.

Sir M. Hale, in his "Discourse touching the Poor," published in 1683, says the family of a working man, consisting of husband, wife, and four children, could not be supported in meat, drink, clothing, and house-rent on less than 10s. a week, and that he might possibly be able to make that amount, if he got constant employment, and if two of his children, as well as their mother, could earn something by their labour too. Gregory King classifies the whole labouring population of the country in his time, except a few thousand skilled artisans, among the classes who decrease the wealth of the country, because, not earning enough to keep them, they had to obtain occasional allowances from public funds. We do well to grieve over the pauperism that exists now in England. A few years ago, one person in every twenty received parochial support, and one in thirty does so yet. These figures, of course, refer to those in receipt of relief at one time, and not to all who received relief during a year. But for Scotland we have statistics of both, and the latter come as nearly as possible to twice as many as the former. If the same proportion rules in England, then every fifteenth person receives relief in the course of the year. But in King's time, out of a population of five millions and a half, 600,000 were in receipt of alms, *i.e.*, more than one in ten; and if their children under 16 years of age were included, their number would amount to 900,000, or one in six. Now, while the labourers' wages were then, as a rule, unequal to maintain them in the way they lived, we know that their scale of living was much below that which is common among their class to-day. The only thing which was much cheaper then than now was butcher meat, mutton being only 2d. a lb., and beef, 1½d.; but half the population had meat only twice a

week, and a fourth only once. The labourer lived chiefly on bread and beer, and bread was as dear as it is now. Potatoes had not come into general use. Butter and milk were cheaper than now, but were not used to the same extent. Fuel, light, and clothing were all much dearer, and salt was so much so as to form an appreciable element in the weekly bill. When so many of the staple necessaries of life were high in price, the labourer's wages naturally could not afford a meat diet. Nothing can furnish a more decisive proof of the rise in the real remuneration of the wage-labourer since the Revolution than the fact that the wages of that period were insufficient to maintain the lower standard of comfort prevalent then, without parochial aid, while the wages of the same classes to-day are generally able to maintain their higher standard of comfort without such supplementary assistance. Then the hours of labour were longer; the death rate in London was 1 in 27, in place of 1 in 40 now, and all those general advantages of advancing civilisation, which are the heritage of all, were either absent or much inferior.

These facts sufficiently show that if the rich have got richer since the Revolution, the poor have not got poorer, and that the circumstances of the labouring class have substantially improved with the growth of national wealth. But not only so; there is also some reason for thinking that the improvement has been as near as may be proportional with the increase of wealth. The general impression is the reverse of this. It is usual to hear it said that while the labourers' circumstances have undoubtedly improved absolutely, they have not improved relatively, as compared with the progress in the wealth of the country and the share of it which other classes have succeeded in obtaining. But this impres-

sion must be qualified, if not entirely rejected, on closer examination. Data exist by which it can be to some extent tested, and these data show that while considerable alterations have been made in the distribution of wealth since the rise of the great industries, these alterations have not been unfavourable to the labouring classes, but that the proportion of the wealth of the country which falls to the working man to-day is very much the same — is indeed rather better than worse — than the proportion which fell to his share two hundred years ago. Gregory King made an estimate of the distribution of wealth among the various classes of society in England in 1688, founded partly on the poll-books, hearth-books, and other official statistical records, and partly on personal observation and inquiry in the several towns and counties of England; and Dr. C. Davenant, who says he had carefully examined King's statistics himself, checking them by calculations of his own and by the schemes of other persons, pronounces them to be "very accurate and more perhaps to be relied on than anything that has been ever done of a like kind." Now, a comparison of King's figures with the estimate of the distribution of the national income made by Mr. Dudley Baxter from the returns of 1867, will afford some sort of idea — though of course only approximately, and perhaps not very closely so — of the changes that have actually occurred. King takes the family income as the unit of his calculations. Baxter, on the other hand, specifies all bread-winners separately — men, women, and children; but to furnish a basis of comparison, let us take the men as representing a family each, and if so, that would give us 4,006,260 working class families in the country in 1867. This is certainly a high estimate of their number, because in 1871 there were only five

million of families in England; and according to the calculations of Professor Leone Levi, the working class comprises no more than two-thirds of the population, and would consequently consist in 1871 of no more than 3,300,000 families. If we were to take this figure as the ground of our calculations, the result would be still more striking; but let us take the number of working class families to have been four millions in 1867. The average income of a working class family in King's time was £12 12s. (including his artisan and handicraft families along with the other labourers); the average income of a working class family now is £81. The average income of English families generally in King's time was £32; the average income of English families generally now is £162. The average income of the country has thus increased five-fold, while the average income of the working class has increased six and a half times. The ratio of the working class income to the general income stood in King's time as 1: 2½, and now as 1: 2. In 1688, 74 per cent. of the whole population belonged to the working class, and they earned collectively 26 per cent. of the entire income of the country; in 1867 — according to the basis we have adopted, though the proportion is doubtless really less — 80 per cent. of the whole population belong to the working class, and they earn collectively 40 per cent. of the entire income of the country. Their share of the population has increased 6 per cent.; their share of the income 14 per cent.

Now, I am far from adducing these considerations with the view of suggesting that the present condition of the working classes or the present distribution of wealth is even approximately satisfactory, but I think they ought to be sufficient to disperse the gloomy appre-

hensions which trouble many minds as if, with all our national prosperity, the condition of the poorer classes were growing ever worse and could not possibly, under existing industrial conditions, grow any better; to prevent us from prematurely condemning a system of society, whose possibilities for answering the legitimate aspirations of the working class are so far from being exhausted, that it may rather be said that a real beginning has hardly as yet been made to accomplish them; and to give ground for the hope that the existing economy, which all admit to be a most efficient instrument for the production of wealth, may by wise correction and management, be made a not inadequate agency for its distribution.

The socialists are not more fortunate in their argument from the teaching of economists than in their account of the actual facts and tendency of history. The "iron and cruel law" of necessary wages is, as expounded by economists, neither so iron nor so cruel as Lassalle represented it to be. They taught that the price of labour, like the price of everything else, tended to settle at the level of the relative cost of its production, and that the cost of its production meant the cost of producing the subsistence required to maintain the labourer in working vigour and to rear his family to continue the work of society after his day, but they always represented this as a minimum below which wages would not permanently settle, but above which they might from other causes remain for continuity considerably elevated, and which, even as a minimum, was in an essential way ruled by the consent of the labouring classes themselves and dependent on the standard of living they chose habitually to adopt. If the rate of wages were forced down below the amount necessary

to maintain that customary standard of living, the marriage rate of the labouring classes would tend to fall and the rate of mortality to rise till the supply of labour diminished sufficiently to restore the rate of wages to its old level. And, conversely, if the price of labour rose above that limit the marriage rate among the labouring class would tend to rise and the rate of mortality to fall, till the numbers of the working population increased to such an extent as to bring it down again. But the rate of marriage depended on the will and consent of the labouring class, and their consent was supposed to be given or withheld according as they themselves considered the current wages sufficient or insufficient to support a family upon. The amount of the labourer's "necessary" subsistence was never thought to be a hard and fast limit inflexibly fixed by physical conditions. It was not a bare living; it was the living which had become customary or was considered necessary by the labourer. Its amount might be permanently raised, if in consequence of a durable rise of wages a higher standard of comfort came to be habitual and to be counted essential, and the addition so made to it would then become as real an element of natural or necessary wages in the economical sense as the rest. Its amount might also permanently fall, if the labourers ceased to think it necessary and contentedly accommodated their habits to the reduced standard, and there might thus ensue a permanent degradation of the labourer, such as took place in Ireland in the present century, when the labouring class adjusted themselves to reduction after reduction till their lower standard of living served, in the first place, to operate as an inducement to marriage instead of a check on it, because marriage could not make things worse and at least lightened

the burdens of life by the sympathy that shared them; and served, in the second place, to impair the industrial efficiency of the labourer till he was hardly worth better wages if he could have got them. So far then was the doctrine of economists from involving any "iron or cruel" limit that they always drew from it the lesson that it was in the power of the labouring classes to elevate themselves by the pleasant, if somewhat paradoxical, expedient of first enlarging their scale of expenditure. "Pitch your standard of comfort high and your income will look after itself," is scarcely an unfair description of the rule of prudent imprudence they inculcated on working people. They believed that the chief danger to which that class was exposed was their own excessive and too rapid multiplication, and they considered the best protection against this danger to lie in the powerful preventive of a high scale of habitual requirements.

Moreover, Ricardo distinctly maintained that though the natural rate of wages was determined as he had explained, yet the operation of that natural law might be practically suspended in a progressive community for an indefinite period, and that the rate of wages actually given might even keep on advancing the whole time, because capital was capable of increasing much more rapidly than population. The price of labour, he taught, would in that case be always settled by the demand for it which was created by the accumulation of capital, and the sole condition of the accumulation of capital was the productive power of labour. The rate of wages in a progressive community might therefore almost never be in actual fact determined by this "iron and cruel law" at all, and so there is not the smallest ground for representing economists as teaching that the pres-

ent system compels the rate of wages or the labourer's remuneration to hover to and fro over the margin of indigence.

Lassalle, then, built his agitation on a combination of errors. He was wrong in his interpretation of the tendency of actual historical development; he was wrong in his interpretation of the doctrine of economists; and now, to complete the confusion, that doctrine is itself wrong. One strong objection to it is stated by Marx. He says that in the course of the 15 or 20 years required for population to readjust itself, so as to restore the normal level of wages, the price of labour would really have risen and fallen and risen again in consequence of the operation of the general causes that influence the industrial cycle; and I cannot refrain from expressing surprise that while he is sensible that Ricardo's law is not a complete explanation of the phenomena of wages, he should yet continue to build any part of his argument upon it as if it were. If we are at all to distinguish a natural or normal rate of wages from the fluctuating rates of the market, that natural or normal rate will be found really to depend, not on the cost of producing subsistence, but on the amount or rate of general production, or the amount of production *per capita* in the community, or, in other words, on the average productivity of labour. It is manifest that this would be so in a primitive condition of society in which industry was as yet conducted without the intervention of a special employing class, for then the wages of labour would consist of its product, and be in fact, as Smith says, only another name for it. It would depend, however, not exclusively on the individual labourer's own efficiency, but also on the fertility of the soil and the general efficiency of the rest of the labouring community. While

according to his own efficiency he would possess a greater or smaller stock of articles, which, after providing for his own wants, he might exchange for other articles produced by his neighbours; the quantity he would get in exchange for them would be great or small according to the degree of his neighbour's efficiency. The average real remuneration of labour, or the average rate of wages, in such a community would therefore correspond with the average productivity of its labour. But the same principle holds good in the more complex organisation of industrial society that now exists, though its operation is more difficult to trace.

The price of labour is now determined by a struggle between the labourer and the employer, and the fortunes of the struggle move between two very real, if not very definitely marked, limits, the lower of which is constituted by the smallest amount which the labourer can afford to take, and the higher by the largest amount which the employer can afford to give. The former is determined by the amount necessary to support life, and the latter by the amount necessary to secure an adequate profit. Now the space between these two limits will be always great or small in proportion to the general productivity of labour in the community. The general productivity of labour acts upon the rate of wages in two ways, immediately and mediately. Immediately because, as is manifest, efficient labour is worth more to the employer than inefficient; and mediately, as I shall presently show, because it conduces to a greater diversion of wealth for productive purposes, and so increases the general demand for labour. In modern society, as in primitive, the labourer not only obtains a higher remuneration if he is efficient himself, but gathers a higher remuneration from the efficiency of his neighbours.

The proximate demand for labour is, of course, capital, but the amount of capital which a community tends to possess — in other words the amount of wealth it tends to detach for industrial investment — bears a constant relation to the amount of its general production. There is a disposition among economists to speak of the quantity of a nation's savings, as if it were something given and complete that springs up independently of industrial conditions, and as irrespectively of the purpose to which it is to be applied as the number of eggs a fowl lays or the amount of fruit a tree bears. But, in reality, it is not so. The amount of a nation's savings is no affair of chance; it is governed much more by commercial reasons than is sometimes supposed. It is no sufficient account of the matter to say that men save because they have a disposition to save, because there is a strong cumulative propensity in the national character. They save because they think to get a profit by saving, and the point at which the nation stops saving is the point at which this expectation ceases to be gratified, the point at which enough has been accumulated to occupy the entire field of profitable investment which the community offers at the time. Some part of a nation's savings will always have originated in a desire to provide security for the future, but, as this part is less subject to fluctuation, it exercises less influence in determining the extent of the whole than the more variable part, which is only saved when there is sufficient hope of gain from investing it. Now the field for profitable investment is, of course, the aggregate production of commodities under another aspect, for the supply of one thing is the demand from another. In a community of high productivity the whole build of the industrial system is larger, and capital, which is

vitally connected with it, bears the general proportion of the whole. There may be said to be a natural amount of capital in a country, in at least as true a sense as there is a natural price of labour, or a natural price of commodities. Capital has its bounds in the general industrial conditions and stature of the community, but it moves and answers these conditions with much more elasticity than the wage fund theory used to acknowledge. It is, as Hermann said, a mere medium of conveyance between consumer and consumer, and has its size decreed for it by the quantities it has to convey. The general demand for commodities is a demand for capital. It creates the expectation of profit which capital is diverted from expenditure to gratify, and since it is itself in another aspect the general supply of commodities, it furnishes the possibilities for meeting the demand for capital which it creates. This whole argument may seem to be reasoning in a circle or wheeling round a pivot, and so in a sense it may be, for the wheel of industry is circular. The rate of wages depends on the demand for labour; the demand for labour depends on the amount of capital; the amount of capital depends on the aggregate production of and demand for commodities; and the amount of aggregate production depends on the average productivity of labour. It is but a more circuitous way of saying the same thing as the older economists said, when they declared the rate of wages to depend on the supply of capital, as compared with population, but it shows that the supply of capital is a more elastic element than they conceived, that it adjusts and readjusts itself more easily and sensitively to industrial conditions, including perhaps even those of population, and that it is governed in a very real way by the great primary factor that determines

the whole size and scale of the industrial system in all its parts, the general productivity of labour. Taking one country with another the rate of wages will be found to observe a certain proportion to the amount of production *per capita* in the community.

This view will be confirmed by a comparison of the actual rates of wages prevalent in different countries. Sir Thomas Brassey has published an important body of positive evidence tending to show that the cost of labour is the same all over the world, that for the same wages you get everywhere the same work, and that the higher price of labour in some countries than in others is simply due to its higher efficiency. Mr. Cairnes, who did not accept this conclusion unconditionally, had, however, himself previously estimated that a day's labour in America produced as much as a day and a third's in Great Britain, to a day and a half's in Belgium, a day and three-fourth's or two days' in France and Germany, and to five days' labour in India. Now, when due regard is had for the influence of special historical circumstances, it will be found that the rate of wages observes very similar proportions in these several countries. In America it is higher than the relative productivity of the country would explain, because a new country with boundless natural resources creates a permanently exceptional demand for labour; because the facilities with which land can be acquired and wrought, even by men without previous agricultural training, affords a ready correction to temporary redundancies of labour; and because the labour itself is more mobile, versatile, and energetic in a nation largely composed of immigrants. Other modifying influences also interfere to preclude the possibility of a precise correspondence between national rates of wages and

national amounts of production *per capita*, for different countries vary much in the extent of the fixed capital they employ to economise personal labour. But enough has been said to show that, if a natural rate of wages is to be sought at all, it must be looked for, not in the cost of the production of subsistence, but in the rate of the production of commodities; and while the standard of living and the price of labour tend to some extent to keep one another up, the higher standard of living prevalent among labourers in some countries is a consequence much more than a condition of the higher rate of wages, which the higher productivity of labour in those countries occasions.

There is therefore no ground for Lassalle's representation that the law of necessary wages condemns ninety-six persons in every hundred to an existence of hopeless misery to enable the other four to ride in luxury. The principles that govern the rate of wages are much more flexible than he supposed, and the experience of trade-unions has sufficiently demonstrated that it is within the power of the wage-labourers themselves to effect by combination a material increase in the price of their labour. Trade-unions have taken away the shadow of despondency that lay over the hired labourer's lot. Their margin of effective operation is strictly limited; still such a margin exists, and they have turned it to account. They have put the labourer in a position to hold out for his price; they have converted the question of wages from the question, how little the labourer can afford to take, into the question, how much the employer can afford to give. They have been able, in trades not subject to foreign competition, to effect a permanent rise in wages at the expense of prices, and they can probably, in all trades, succeed in keeping the rate of

wages well up to its superior limit, viz., to the point at which, while the skilful employers might still afford to give more, the unskilful could not do so without ceasing to conduct a profitable business and being driven out of the field altogether. For unskilful management tells as ill on wages as inefficient labour. On the other hand high wages, like many other difficult conditions, undoubtedly tend to develop skilful management. The employer is put on his mettle and all his administrative resource is called into action and keen play. They who, like socialists, inveigh against this modern despot, ought to reflect how much less possible it would have been for wages to have risen, if industry had been in the hands of hired managers who were not put to their mettle, because they had no personal stake in the result. It must not be forgotten, however, that while trade-unions are able to keep the rate of wages up to its superior limit, they have no power to raise that limit itself. This can only be done by an increase in the general productivity of labour, and, in fact, the action of trade-unions could not have been so effective as it has been, unless the high production of the country afforded them the conditions for success. And since, in consequence of their action and vigilance, the rate of wages in the trades they represent may be now taken as usually standing close to its superior limit, the chief hope of any further substantial improvement in the future must now be placed in the possibility of raising that limit by an increased productivity.

Of this the prospect is really considerable and promising. Of course labourers will never benefit to the full from improvements in the productive arts, until by some arrangement, or by many arrangements, they are made sharers in industrial capital; but they will benefit

from these improvements, though in less measure, even as pure wage-labourers. Their unions will be on the watch to prevent the whole advantage of the improvement from going towards a reduction of the price of the commodity they produce, and such reduction in the price of the commodity as actually takes place will enable its consumers to spend so much the more of their means on commodities made by other labourers, and to that extent to increase the demand for the labour of the latter. But the field from which I expect the most direct and extensive harvest to the working class is the development of their own personal efficiency. At present neither employers nor labourers seem fully alive to the resources which this field is capable of yielding, if it were wisely and fairly cultivated. Both classes are often so bent on immediate advantage that they lose sight of their real and enduring interest. It is doubtful whether employers are more slow to see how much inadequate remuneration and uncomfortable circumstances impair efficiency and retard production, or labourers to perceive how much limiting the general rate of production tends to reduce the general rate of wages. In labour requiring mainly physical strength, contractors sufficiently appreciate the fact that their navvies must be well fed if they are to stand to their work, and that an extra shilling a day makes a material difference in the out-put. But in all forms of skilled labour, likewise, analogous conditions prevail. Just as slave labour is inefficient because it is reluctantly given, and is wanting in the versatility and resourcefulness that comes from general intelligence, so is free labour less efficient or more efficient in exact porportion to its fertility of resource and to the hopefulness and cheerfulness with which it is exerted; and both conditions are

developed in the working class in precise ratio with their general comfort. The intelligent workman takes less time to learn his trade, needs less superintendence at his work, and is less wasteful of materials; and the cheerful workman, besides these merits, expends more energy with less exhaustion. But men can have no hope in their work while they live purely from hand to mouth, and you cannot spread habits of intelligence among the labouring class, if their means are too poor or their leisure too short to enable them to participate in the culture that is going.

But if employers are apt to take too narrow a view of the worth of good wages as a positive source of high production, labourers are apt to take equally narrow views of the worth of high production as a source of good wages. The policy of limiting production is expressly countenanced by a few of their trade-unions, with the concurrence, I fear, of a considerable body of working class opinion. This is shown in their idea of "making work," in their prohibition of "chasing" — *i.e.*, of a workman exceeding a given average standard of production — and in their prejudice against piecework. Their notion of making work is irrational. They think they can make work by simply not doing it, by spinning it out, by going half speed, under the impression that they are in this way leaving the more over to constitute a demand for their labour to-morrow. And, so in the immediate case in hand and for the particular time, it may sometimes be. But if this practice were to be turned into a law universal among working men, if all labourers were to act upon it everywhere, then the general production of the country would be immediately reduced, and the general demand for labour, and the rate of wages, would inevitably fall in a corre-

sponding degree. Instead of making work, they would have unmade half the work there used to be, and have brought their whole class to comparative poverty by contracting the ultimate sources from which wages come. The true way to make work for to-morrow is to do as much as one can to-day. For the produce of one man's labour is the demand for the produce of another man's. There is nothing more difficult for any class than to reach an enlightened perception of its own general interest.

The objection usually made to "chasing" and piecework is that they always end in enabling employers to extract more work out of the men without giving them any more pay, and that they conduce to overstraining. Now piecework, without a fixed list of prices, is of course liable to the abuse which, it is alleged, masters have made of it. But with a fixed list of prices the labourers ought, with the aid of their unions, to be as able to hold their own against the encroachments of the masters under piecework as under day work, and piecework is so decidedly advantageous, both to masters and to men, that it would be foolish for the former to refuse the reasonable concession of a fixed list of prices; and it would be equally foolish for the latter to oppose the system under the delusive fear of a danger which it is amply in their own power to meet. There is a good deal of force in the view of Mr. William Denny, that piecework will prove the best and most natural transition from the present system to a *régime* of co-operative production, because it furnishes many kinds of actual opportunities for practising co-operation; but whatever may be the promise of piecework for the age that is to come, there is no question about its promise for the life that now is. Mr. Denny, speaking from experience in

his own extensive shipbuilding works at Dumbarton, says that "a workman under piecework generally increases his out-put in the long run — partly by working hard, but principally by exercising more intelligence and arranging his work better — by about 75 per cent., while the total amount of his wages increases by about 50 of per cent., making a distinct saving in the wages portion of the cost of a given article of about 14 per cent." ("The Worth of Wages," p. 19). Similar testimony is given by Goltz, Boehmert, and a writer in Engels' *Zeitschrift* for 1868, as to the effect of the introduction of piecework into continental industries, and Roscher ascribes much of the industrial superiority of England to the prevalence of piecework here. According to Mr. Howell, more than seventy per cent. of the work of this country is done at present by the piece, and the Trades-Union Commission found it the accepted rule in the majority of the industries that came under their investigation; in fact, in all except the engineers, the ironfounders, and some of the building trades. The engineers entertain a strong objection to it, and their union has sometimes expelled members who have persisted in taking it. But the system works smoothly enough when an established price-list has become a recognised practice of the trade. The objection that the piece system leads to careless, scamped, and inferior work can hardly be considered a genuine working class objection. That is the look-out of the masters, and they find it easier to check quality than to check quantity. Another reason sometimes given against piecework is that under it some men get more than their share in the common stock of work, but there lurks in this reason the same fallacy which lies in the notion of "making work," the fallacy of seek-

ing to raise the level of wages by limiting production, and so diminishing the common stock of work of society. Labourers seem sometimes to harbour an impression as if they were losing something when their neighbours were making more than themselves. Work appears to them — no doubt in consequence of the fluctuations and intermittent activity of modern trade — to come in bursts and windfalls, nobody knows whence or how, and they are sometimes uneasy to see the harvest being apparently disproportionately appropriated by more active and efficient hands. But in the end, and as a steady general rule, they are gainers and not losers by the efficiency of the more expert workmen, because productivity, so far from drying up the sources of work, is the very thing that sets them loose.

A more important objection is the danger of overstraining, against which of course the working class are wise to exercise a most jealous vigilance. But, in the first place, it is easy to exaggerate this danger. It is not really from any deepened drain on the physical powers of the workmen, so much as from a quickening of his mental life in his work, that increase in his productivity is to be expected. Mr. Denny, it will be observed, attributes the additional out-put under piecework not nearly so much to harder labour as to the exercise of more intelligence and to a better arrangement of the work. But, in the next place, to my mind the great advantage of piecework is that it affords a sound economical reason for shortening the day of labour. The work being intenser demands a shorter day, and being more productive, justifies it. If the figures I have quoted from Mr. Denny are at all representative, then a labourer, working by the piece, can turn out 40 per cent. more in 8 hours than working by the day he

can do in 10. Differences may be expected to obtain in this respect in different trades and kinds of work, so that there cannot be any normal day of labour for all trades alike, and each must adjust the term of its labour to its own circumstances. But wherever piecework can increase the rate of production to the extent mentioned by Mr. Denny, the day of labour may be shortened with advantage, and it can apparently do so in the very trades that most strongly object to it. A fact mentioned by Mr. Nasmyth, in his remarkable evidence before the Trades-Union Commission, opens a striking view of the possibilities of increasing production through developing the personal efficiency of the labouring class, and of doing so without requiring any severe strain. "When I have been watching men in my own work," he says, "I have noticed that at least two-thirds of their time, even in the case of the most careful workmen, is spent, not in work, but in criticising with the square or straight-edge what they have been working, so as to say whether it is right or wrong." And he adds — "I have observed that wherever you meet with a dexterous workman, you will find that he is a man that need not apply in one case in ten to his straight-edge or square." And why are not all dexterous, or at least why are they not much more dexterous than they now are? Mr. Nasmyth's answer is, because the faculty of comparison by the eye is undeveloped in them, and he contends that this faculty is capable of being educated in every one to a very much higher degree than exists at present, and that its development ought to be made a primary object of direct training at school. "If you get a boy," he says, "to be able to lay a pea in the middle of two other peas, and in a straight line with these two, that boy is a vast way

on in the arts." He has gone through a most valuable industrial apprenticeship before he has entered a workshop at all. If, through training the eye, workmen can save two-thirds of their time, it is manifest that there is abundant scope for increasing productivity and shortening the day of labour at the same time. Industrial efficiency is much more a thing of mind than of muscle. *Jeder Arbeiter ist auch Kopfarbeiter.* All work is also head work. Skill is but a primary labour-saving apparatus engrafted by mind on eye and limb, and it is in developing the mental faculties of the labourers by well directed training, both general and technical, that the chief conditions for their further improvement lie. Their progress in intelligence may therefore be expected to increase their productivity so as to justify a shortening of their day of labour, and the leisure so acquired may be expected to be used so as to increase their intelligence. Any advance men really make in the scale of moral and mental being tends in this way to create the conditions necessary for its maintenance.

We sometimes hear the same pessimist prophecy about shorter hours as we have heard for centuries about better wages, that they will only seduce the working class to increased dissipation. But experience is against this view. Of course more leisure and more pay are merely means which the labourer may according to his habits use for his destruction as easily as for his salvation. But the increase in the number of apprehensions for drunkenness that frequently accompanies a rise in wages proves neither one thing nor another as to the general effect of the rise on the whole class of labourers who have obtained it; it proves only that the more dissipated among them are able to get oftener drunk. Nor can the singular manifestations which the full hand

sometimes takes with the less instructed sections of the working class, especially when it has been suddenly acquired, furnish any valid inference as to the way it would be used by the working class in general, particularly if it were their permanent possession. The evidence laid before the House of Lords Committee on Intemperance shows that the skilled labourers of this country are becoming less drunken as their wages and general position are improving; and Porter, in his "Progress of the Nation," adduces some striking cases of a steady rise of wages making a manifest change for the better in the habits of unskilled labourers. He mentions, on the authority of a gentleman who had the chief direction of the work, that "the formation of a canal in the North of Ireland for some time afforded steady employment to a portion of the peasantry, who before that time were suffering all the evils so common in that country which result from precariousness of employment. Such work as they could previously get came at uncertain intervals, and was sought by so many competitors that the remuneration was of the scantiest amount. In this condition the men were improvident to recklessness. Their wages, insufficient for the comfortable maintenance of their families, were wasted in procuring for themselves a temporary forgetfulness of their misery at the whiskey shop, and the men appeared to be sunk into a state of hopeless degradation. From the moment, however, that work was offered to them which was constant in its nature and certain in its duration, and on which their weekly earnings would be sufficient to provide for their comfortable support, men who had been idle and dissolute were converted into sober hard-working labourers, and proved themselves kind and careful husbands and fathers; and it is stated as a

fact that, notwithstanding the distribution of several hundred pounds weekly in wages, the whole of which would be considered as so much additional money placed in their hands, the consumption of whiskey was absolutely and permanently diminished in the district. During the comparatively short period in which the construction of this canal was in progress, some of the most careful labourers, men who most probably before then never knew what it was to possess five shillings at any one time, saved sufficient money to enable them to emigrate to Canada, where they are now labouring in independence for the improvement of their own land" (p. 451). It may be difficult to extirpate drunkenness in our climate even with good wages, but it is certainly impossible with bad, for bad wages mean insufficient nourishment, comfortless house accommodation, and a want of that elasticity after work which enables men to find pleasure in any other form of enjoyment. As with better wages so with shorter hours. The leisure gained may be misused, especially at first, but it is nevertheless a necessary lever for the social amelioration of the labouring class, and it will more and more serve this purpose as it becomes one of their permanent acquisitions. There can be no question that long hours and hard work are powerful predisposing causes to drunkenness. Studnitz mentions that several manufacturers in America had informed him that they had invariably remarked, that with solitary exceptions here and there, the men who wrought for the longest number of hours were most prone to dissipation, and that the others were more intelligent, and formed on the whole a better class. Part of the prejudice entertained by working men against piecework comes from the fact that it is very often accompanied with overtime, and when that

is the case it generally exerts an unfavourable effect on the habits of the workman. Mr. Applegarth said, in his evidence before the Trades-Union Commission, that nothing degraded the labourer like piecework and overtime. Mr. George Potter stated, in his evidence before the Select Committee on Masters and Operatives in 1860, that it was a common saying among working people with regard to a man who works hard by piecework and overtime, that such a man is generally a drunkard. He ascribed much of the intemperance of the labouring class to the practice of working "spells" — *i.e.*, heats of work at high pressure on the piece and overtime system — instead of steadily; and he says — "When I was at work at the bench I worked to a firm where there was much overtime and piecework, and I found that the men at piecework were men who generally spent five or six times more money in intoxicating drink, for the purpose of keeping up their physical strength, than the men at day work. I find, on close observation, that the men working at piecework are generally a worse class of men in every way, both in intelligence and education, and in pecuniary matters." Now, the ill effects which issue from piecework combined with overtime, could not accrue from piecework combined with shorter hours. Besides, in a case of this kind it is sometimes difficult to say which is cause and which effect, or how much the one acts and reacts on the other. For both Mr. Potter and the manufacturers mentioned by Studnitz represent the men who wrought longest as being not only more drunken, but less intelligent and educated, and, in fact, as being every way inferior; and we can easily understand how men of unsteady habits should prefer to work "spells," and try to make up by excessive work three days in the week,

for excessive drinking the other three. But there is no reason why piecework should be irregular or uncertain any more than why it should be accompanied with overtime, and the fact that the intelligent and better educated workmen resisted the temptation to overwork — that, according to Mr. Potter's evidence, they preferred the less remunerative, but less exhausting day work; and that, according to the American testimony, they wrought only a moderate number of hours as compared with the others — furnishes a ground of confidence that the growth and spread of intelligence would, even apart from regulation by State agency or trade-union agency, form a sort of bulwark against the loss by the labouring class, under a system of piecework, of the general advantage of the shorter day of labour, to which that system would entitle them. In America the length of the day in trades working by the piece is left to the discretion of the labourer himself; but in work requiring the concert of many hands, a common arrangement is, of course, expedient; and the experience of America shows that this arrangement may be much better effected by trade-union than by State agency. For eight hours has prevailed for years as the normal length of the day of labour among the building trades there, through the unions; whereas, where the eight hours' day has been introduced by Government action, the experiment has ended unsuccessfully. Trades, however, differ very much in the strain they exact, and each ought to adjust its working day to its own industrial conditions. Great variety exists in the length of the working day in this country at present. In some trades it has already been for years eight hours, in others nine, ten, eleven, twelve, and even more, but the trade-unions have been able to effect considerable reductions.

I cannot, therefore, take so dark a view as is sometimes entertained of the futurity of the wage labourer, even if he were compelled to remain purely and permanently such. His position has substantially improved in the past, and contains considerable capabilities for continued improvement in the future. Of course the action of trade-unions, besides being confined to the limits I have described, is subject to the further restriction, that it can only avail for the labourers who belong to them, and is indeed founded on the exclusion or diminution of the competition of others. They impose limitations on the number of apprentices, and prescribe a certain standard of efficiency, loosely ascertained, as a condition of membership. There can be no manner of objection to the latter measure, nor does the former, though it is manifestly liable to abuse and is sometimes vexatious in its operation, seem to be practically worked so as to diminish the labour in any particular industry beneath the due requirements of trade, or to create an unhealthy monopoly. Then, though the trade-unionists gather their gains by keeping off the competition of others, it cannot be said that these others are necessarily in any worse position than they would have occupied, if trade-unions had never come into existence. It may even be that through the operation of custom, which will always have an influence in settling the price of labour, a certain benefit may be reflected upon them from a rise in the usual price effected by trade-union agency. But in any case, it is no sound objection to an agency of social amelioration that its efficiency is only partial, for it is not so much to any single panacea, as to the application of a multitude of partial remedies, that we can most wisely trust for the accomplishment of our great aim.

II. The second main count in the socialist indictment of the present industrial system is that it has multiplied the vicissitudes of trade, and so imposed an incurable and distressing insecurity upon the labourer's lot. The rapidity of technical transformation and the frequency of commercial crises create, it is alleged, a perpetual over-population, driving ever-increasing proportions of the labourers out of active employment into what Marx calls the industrial reserve, the hungry battalions of the half-employed or the altogether unemployed. In regard to technical transformation, the effects of machinery on the working class are now tolerably well understood. Individuals suffer in the first instance, but the class, as a whole, is eventually a great gainer. Machinery has always been the means of employing far more hands than it superseded, when it did supersede any (for it has by no means invariably done so). There is no way of "making work" like producing wealth. The increased production due to machinery cheapens the particular commodities produced by it, and thus enables the purchasers of these commodities to spend more of their income on other things, and so practically to make work for other labourers. But even in the trades into which the machinery has been imported, the effect of its introduction has been to multiply, instead of curtailing, employment. Take the textile trades, much the most important of the machine industries. Mr. Mulhall, in his "Dictionary of Statistics" (p. 338), gives the following statistics of the textile operatives in the United Kingdom at various dates: —

Year.	Men.	Women.	Children.	Total.
1835.	82,000	167,000	104,000	353,000
1850.	158,000	329,000	109,000	596,000
1880.	232,000	543,000	201,000	976,000

Marx and others dwell much on the fact, that machinery leads frequently to the substitution of female for male labour; but the preceding table shows that while female labour has been largely multiplied, male labour has been scarcely less so, and besides, a more extensive engagement of women is in itself no public disadvantage. For half the question of our pauperism is really the question of employment for women, it being so much more difficult to find work for unemployed women than for unemployed men; and if the course of industrial transformation opens up new occupations that are suitable for them, it is so far entirely a social gain, and no loss. No doubt, though the good accruing from industrial transformation far outweighs the evil, yet evil does accrue from it, and evil of the kind alleged, the tendency to develop local or temporary redundancies of labour. But then that is an evil with which we have never yet tried to cope, and it may probably be dealt with as effectively on the present system as on any other. Socialism would stop it by stopping the progress which it happens to accompany, and would therefore envelop society in much more serious distress than it sought to remove. In Marx's remarkable survey of English industrial history almost every conquest of modern civilisation is viewed with regret; but it is manifestly idle to think of forcing society back now to a state in which there should be no producing for profit, but only for private use, no subdivision of labour, no machinery, no steam, for these are the very means without which it would be impossible for our vastly increased population to exist at all. What may be done to meet the redundancies of labour that are always with us, is a difficult but pressing question which I cannot enter upon here. State provision of work — even in produ-

cing commodities which are imported from abroad and which might therefore be produced in State workshops without hurting home producers — has many drawbacks, but the problem is one that ought to be faced, and something more must be provided for the case than workhouse and prison.

In regard to commercial crises, they are rather lessening than increasing. They may be more numerous, for trade is more extensive and ramified, but they are manifestly less violent than they used to be. The commercial and financial crises of the present century have been moderate in their effects as compared with the Darien scheme, Law's speculations in France, or the Tulip mania in the Low Countries, and under the influence of the beneficial expansion of international commerce and the equally beneficial principle of free trade, we enjoy now an absolute immunity from the great periodical visitation of famine which was so terrible a scourge to our ancestors. Facts like these are particularly reassuring for this reason, that they are the result, partly of better acquaintance with the principles of sound commercial and financial success, and partly of the equalising effect of international ramifications of trade, and that these are causes from which even greater things may be expected in the future, because they are themselves progressive. There is no social system that can absolutely abolish vicissitudes, because many of them depend on causes over which man has no possible control, such as the harvests of the world, and others on causes over which no single society of men has any control, such as wars; and, besides, it is possible to do a great deal more under the existing system than is at present done, to mitigate and neutralise some of their worst effects. To provide the labouring population

with the security of existence, which is one of their pressing needs, a sound system of working class insurance must be devised, which shall indemnify them against all the accidents and reverses of life, including temporary loss of work as well as sickness and age, and it is not too much to hope, from the amount of attention which the subject is at present attracting, that such a system will be obtained. As far as yet appears, the scheme proposed by Professor Lujo Brentano, to which I have already referred, is, on the whole, the soundest and most satisfactory in its general principles that has been advanced.

Again, much of the instability of trade arises from the want of commercial statistics, and the consequent ignorance and darkness in which it must be conducted. More light would lessen at once the mistakes of well-meaning manufacturers and the opportunities of illegitimate and designing speculation. Socialists count all speculation illegitimate, because they fail to see that speculation, conducted in good faith, exercises a moderating influence upon the oscillations of prices, preventing them from falling so low, or rising so high, as they would otherwise do. Speculation has thus a legitimate and beneficial work to perform in the industrial system, and if it performed its work rightly, it ought to have the opposite effect from that ascribed to it by socialists, and to conduce to the stability of trade, instead of shaking it. But unhappily an unscrupulous and fraudulent spirit too often presides over this work. Schaeffle, who is not only an eminent political economist, but has been Minister of Commerce to one of the great powers of Europe, says that when he got acquainted with the bourse, he gave up believing any longer in the economical harmonies, and declared theft to be the principle

of modern European commerce. Socialists always take the bourse to be the type of capitalistic society, and the fraudulent speculator to be the type of the bourse, and however they may err in this, there is one point at any rate which it is almost impossible for them to exaggerate, and that is the mischief accruing to the whole community — and, as is usual with all general evils, to the working class more than any other — from the prevalence of unsound trading and inflated speculation. Confidence is the very quick of modern trade. The least vibration of distrust paralyses some of its movements and depresses its circulation. Enterprise in opening new investments is indeed more and more indispensable to the vitality of modern industry, but the mischiefs of misdirected enterprise are as great as the benefits of well-directed. Illegitimate speculation is very difficult to deal with. It can never be reached by a public opinion which worships success and bows to wealth with questionless devotion. Nor is it practicable for the State to put it down by direct measures. But the State may perhaps mitigate it somewhat by helping to procure a good system of commercial statistics, for unsound speculation thrives in ignorance, and may be to some extent prevented by better knowledge. The socialist demand for commercial statistics is therefore to be approved. They would benefit everybody but the dishonest dealer. They would not only be a corrective against unsound speculation, but they would tend to smooth the conflicts between capital and labour about the rate of wages, and the working class in America press the demand on the ground of their experience of the benefits they have already derived from the Labour Statistical Bureaux established in certain of the States there. Some of our own most weighty economical au-

thorities are strongly in favour of a measure of this kind. Mr. Jevons, for example, says, "So essential is a knowledge of the real state of supply and demand to the smooth procedure of trade, and the real good of the community, that I conceive it would be quite legitimate to compel the publication of requisite statistics. Secrecy can only conduce to the profit of speculators who gain from great fluctuations of prices. Speculation is advantageous to the public only so far as it tends to equalise prices, and it is therefore against the public good to allow speculators to foster artificially the inequalities of prices by which they profit. The welfare of millions, both of consumers and producers, depends on an accurate knowledge of the stocks of cattle and corn, and it would therefore be no unwarrantable interference with the liberty of the subject to require any information as to the stock in hand. In Billingsgate fishmarket it has been a regulation that salesmen shall fix up in a conspicuous place every morning a statement of the kind and amount of their stock; and such a regulation, whenever it could be enforced on other markets, would always be to the advantage of every one except a few traders" ("Theory of Political Economy," p. 88).

III. The next principal charge brought by socialists against the present order of things is that it commits a signal injustice against the labouring class, by suffering the capitalists who employ them to appropriate the whole increase of value which results from the process of production, and which, as is alleged, is contributed entirely by the labour of the artisans engaged in the process. I have already exposed the fallacy of the theory of value on which this claim is founded, and I need not repeat here what for convenience' sake has

been stated in another place (see chap. iii., pp. 161–8). Value is not constituted by time of labour alone, except in the case of commodities admitting of indefinite multiplication; it is constituted in all other cases by social utility; and the importance of this distinction is especially manifest in treating of the very point that comes before us here, the value of labour. Why is one kind of labour paid dearer than another? Why is an organiser of manual labour better paid than the manual labourer himself? Why is the railway chairman better paid than the railway porter? Or why has a judge the better salary than the policeman? Is it because he exerts more labour, more socially necessary time of labour? No, the porter works as long as the chairman, and the policeman as long as the judge. Is it because more time of labour has been expended in the preparation and apprenticeship of the higher paid functionaries? No, because the railway chairman may have undergone no special training that thousands of persons with much poorer incomes have not also undergone, and the education of the judge cost no more than the education of other barristers who do not earn a twentieth part of his salary. The explanation of differences of remuneration like these is not to be found in different quantities of labour, but in different qualities of labour. One man's work is higher, rarer, more excellent, possesses in short more social utility than another's, and for that reason is more valuable, as value is at present constituted. It is thus manifest that the theory which declares value to be nothing but quantity of labour, nothing but time of labour, is inconsistent with some of the most obvious and important phenomena of value, the phenomena of the value of different kinds of labour. Many forms of labour are much more remunerative than others, nay,

much more remunerative than many applications of capital, and the difference of remuneration is in no way whatever connected with the quantity of labour or the time of labour undergone in earning it. Socialists may perhaps answer that this *ought not* to be so; that if things were as they should be, the railway chairman, the station-master, the inspector, the guard, and the porter, would be paid by the same simple standard of the duration of their labour in the service of the line — a standard which would probably reverse the present gradation of their respective salaries; but if they make that answer, they change their ground; they no longer base their claim for justice to the labourer on value *as it is constituted*, but on value *as they think it ought to be constituted*. Their theory of value would in that case not be what it pretends to be, a scientific theory of the actual constitution of value, but a utopian theory of its proper and just constitution. It would be tantamount to saying, Every man, according to our ideas of justice, ought to be paid according to the value of his work, and the value of his work, according to our ideas of justice, ought to be measured by the time — the socially necessary time — it occupied. But this whole argument is manifestly based on nothing better than their own arbitrary conceptions of justice, and it needs no great perspicacity to perceive that these conceptions of justice are entirely wrong. In fact, the common sense of men everywhere would unhesitatingly pronounce it unjust to requite the manager who contrives, organises, directs, with only the same salary as the labourer who executes under his direction, because, while both may spend the same time of labour, the service rendered by the one is much more *valuable* than the service rendered by the other. Let every man have according to his work, if

you will; but then, in measuring work, the true standard of its value is not its duration but its social utility, the social importance of the service it is calculated to render.

This criterion of social utility is the principle that ought to guide us in answering the question that is really raised by the particular socialist charge now under consideration, the question of the justice of interest on capital. Interest is just because capital is socially useful, and because the owner of capital, in applying it to productive purposes, renders a service to society which is valuable in the measure of its social utility. Of course the State might perform this service itself. It might compulsorily abstract from the produce of each year a sufficient portion to constitute the raw materials and instruments of future production; but, as a matter of fact, the State does not do so. It leaves the service to be rendered spontaneously by private persons out of their private means. The service rendered by these persons to production is as indispensable as the service rendered by the labourers, and the justice of interest stands on exactly the same ground as the justice of wages. The labourer cannot produce by labour alone, without materials and implements, any more than the capitalist can produce by materials and implements alone, without labour; and the possessor of capital needs a reward to induce him to advance materials and implements just as much as the labourer needs a reward to induce him to labour. Nobody will set aside a portion of his property to provide for future production if he is to reap no advantage from doing so, and if the produce will be distributed in exactly the same way whether he sets it apart or not. It would be as unjust as it would be suicidal to withhold the recompense to

which this service is entitled, and without which nobody would do it.

The real question for socialists to answer is, not whether it is just to pay private capitalists for the service society accepts at their hands, but whether society can perform this service better, or more economically, without them; whether, in short, the abolition of interest would conduce to any real saving in the end? This practical question, crucial though it be, is one, however, to which they seldom address themselves — they prefer expatiating in cloudier regions. The question may not, with our present experience, admit of a definitive and authoritative answer; but the probabilities all point to the conclusion that capitalistic management of production, costly as it may seem to be, is really cheaper than that by which socialism would supersede it. Capitalistic management is proverbially unrivalled for two qualities in which bureaucratic management is as proverbially deficient, economy and enterprise. Socialists complain much of the hosts of middlemen who are nourished on the present system, the heartless parasites who eat the bread of society without doing a hand's turn of real good; but their own plan would multiply vastly the number of unnecessary intermediaries depending on industry. Under the *régime* of the capitalist there are, we may feel sure, no useless clerks or overseers, for he has the strongest personal interest in working his business as economically as possible. But with the socialist mandarinate, the interest lies the other way, and the tendency of the head officials would be to multiply their subordinates and assistants, so that by diminishing the capitalists, society would not by any means have got rid of middlemen and parasites. There would be as much waste of labour as before. Sir

Thomas Brassey is certainly right in attributing the industrial superiority of Great Britain as much to the administrative skill and economy of her employers as to the efficiency of her labourers. Individual capitalists are more enterprising, as well as more economical managers than boards. Their keenly-interested eyes and ears are ever on the watch for opportunities, for improvements, for new openings; and having to consult nothing but their own judgment, they are much quicker in adapting themselves to situations and taking advantage of turns of trade. They will undertake risks that a board would not agree to, and they will have entered the field and established a footing long before a manager can get his directors to stir a finger. Now this habit of being always on the alert for new extensions, and new processes, and new investments, is of the utmost value to a progressive community, and it cannot be found to such purpose anywhere as with the capitalistic despot the socialists denounce, whose zeal and judgment are alike sharpened by his hope of personal gain and risk of personal loss. Studnitz informs us that in 1878 he found the mills of New York standing idle, but those of Philadelphia all going, and his explanation is that the former were under joint-stock management and the latter belonged to private owners. The present tendency towards a multiplication of joint-stock companies is a perfectly good one, because, for one thing, it helps to a better distribution of wealth; but society would suffer if this tendency were to be carried so far as to supersede independent private enterprise altogether, and if joint-stock companies were to become the only form of conducting business. And if private enterprise is more advantageous than joint-stock management, because it has more initiative and adaptability, so joint-stock man-

agement is for the same reason more advantageous than the official centralised management of all industry.

If there is any force in these considerations, it seems likely that we should make a bad bargain, if we dismissed our capitalists and private employers, in the expectation that we could do the work more cheaply by our own public administration. And the mistake would be especially disappointing for this reason, that in the ordinary progress of society in wealth and security the rate of interest always tends to fall, and that various forces are already in operation that may not unreasonably be expected to reduce the rate of profits as well. Profits, as distinguished from interest, are the earnings of management, and the minimum which employers will be content to take is at present largely determined by the entirely wrong principle that their amount ought to bear a direct proportion to the amount of capital invested in the business. In spite of competition, customary standards of this kind are very influential in the adjustment of such matters; they are the usual criteria of what are called fair profits and fair wages; they always carry with them strong persuasives to acquiescence; and then, from their very nature, they are very dependent on public opinion. I am not sanguine enough to believe, with the American economist, F. A. Walker, that employers will ever come to be content with no other reward than the gratification of power in the management of a great industrial undertaking; but there is nothing extravagant in expecting that, through the influence of public opinion and the constant pressure of trade-unions, a fairer standard of profits may be generally adopted, with the natural consequence of allowing a rise of wages.

But whether these expectations are well grounded or

no, one thing is plain, the only thing really material to the precise issue at present before us, and that is, that while interest and profits may both be unfair in amount, just as rent may be, or wages, or judicial penalties, neither of them are unjust in essence, because they are merely particular forms of remunerating particular services, which are now actually performed by the persons who receive the remuneration, and which, under the socialist scheme, would have to be performed — and in all probability neither so well nor so cheaply — by salaried functionaries.

With these remarks, we may dismiss the specific charge of injustice brought by socialists against the present order of things, and the specific claim of right for the labouring class which they prefer. Let us now submit their proposals to a more practical and decisive test — will they or will they not realise the legitimate aspirations, the ideal, of the working class? Does socialism offer a better guarantee for the realisation of that ideal than the existing economy? I believe it does not. What is the ideal of the working class? It may be said to be that they shall share *pari passu* in the progressive conquests of civilisation, and grow in comfort and refinement of life as other classes of the community have done. Now this involves two things — first, progress; second, diffusion of progress; and socialism is so intent on the second that it fails to see how completely it would cut the springs of the first. Some of its adherents do assert that production would be increased and progress accelerated under a socialistic economy, but they offer nothing in support of the assertion, and certainly our past experience of human nature would lead us to expect precisely the opposite result. The incentives and energy of production would be

relaxed. I have already spoken of the loss that would probably be sustained in exchanging the interested zeal and keen eye of the responsible capitalist employer for the perfunctory administration of a State officer. A like loss would be suffered from lightening the responsibility of the labourers and lessening their power of acquisition. Under a socialist *régime* they cannot by any merit acquire more property than they enjoy in daily use, and they cannot by any fault fail to possess that. Now socialist labourers are not supposed any more than socialist officials to be angels from Heaven; they are to carry on the work of society with the ordinary human nature which we at present possess; and in circumstances like those just described, unstirred either by hope or fear, our ordinary human nature would undoubtedly take its ease and bask contentedly in the kind providence of the State which relieved it of all necessity for taking thought or pains. The inevitable result would be a great diminution of production, which, with a rapidly increasing population (and socialism generally scouts the idea of restraining it), would soon prove seriously embarrassing, and could only be obviated by a resort to the lash; in a word, by a return to industrial slavery. Now, with a lessening production, progress is clearly impossible, and the more evenly the produce was distributed the more certain would be the general decline.

Socialists ignore the civilising value of private property and inheritance, because they think of property only as a means of immediate enjoyment, and not as a means of progress and moral development. They would allow private property only in what is sometimes termed consumers' wealth. You might still own your clothes, or even purchase your house and garden. But pro-

ducers' wealth, they hold, should be common property, and neither be owned nor inherited by individuals. If this theory were to be enforced, it would be fatal to progress. Private property has all along been a great factor in civilisation, but the private property that has been so has been much more producers' than consumers'. Consumers' wealth is a limited instrument of enjoyment; producers' is a power of immense capability in the hands of the competent. Socialists are really more individualistic than their opponents in the view they take of the function of property. They look upon it purely as a means for gratifying the desires of individuals, and ignore the immense social value it possesses as a nurse of the industrial virtues and an agency in the progressive development of society from generation to generation.

There is still another and even more important spring of progress that would be stifled by socialism — freedom. Freedom is, of course, a direct and integral element in any worthy human ideal, for it is an indispensable condition for individual development, but here it comes into consideration as an equally indispensable condition of social progress. Political philosophers, like W. von Humboldt and J. S. Mill, who have pled strongly for the wildest possible extension of individual freedom, have made their plea in the interests of society itself. They looked on individuality as the living seed of progress; without individuality no variation of type or differentiation of function would be possible; and without freedom there could be no individuality. Under a *régime* of socialism freedom would be choked. Take, for example, a point of great importance both for personal and for social development, the choice of occupations. Socialism promises a free choice of occupations; but that is

vain, for the relative numbers that are now required in any particular occupation are necessarily determined by the demands of consumers for the particular commodity the occupation in question sets itself to supply. Freedom of choice is, therefore, limited at present by natural conditions, which cause no murmuring; but these natural conditions would still exist under the socialist *régime*, and yet they would perforce appear in the guise of legal and artificial restrictions. It would be the choice of the State that would determine who should enter the more desirable occupations, and not the choice of the individuals themselves. The accepted would seem favourites; the rejected would complain of tyranny and wrong. Selection could not be made by competitive examination without treason against the principles of a socialist state, nor by lot without a sacrifice of efficiency. The same difficulties would attend the distribution of the fertile and the poor soils. Even consumption would not escape State inquisition and guidance, for an economy that pretended to do away with commercial vicissitudes must take care that a change of fashion does not extinguish a particular industry by superseding the articles it produces. Socialism would introduce, indeed, the most vexatious and all-encompassing absolutist government ever invented. It would impose on its central executive functions that would require omniscience for their discharge, and an authority so excessive that E. von Hartmann is probably right in thinking that obedience could only be secured by fabricating for it the illusion of a divine origin and reinforcing loyalty by superstition. The extensive centralised authority given to government in France has undoubtedly been one of the main causes of the instability of the political system of that State, and a

socialist rule, with its vastly greater prerogatives, could only maintain its ascendency by being fabulously hedged with the divinity of a Grand Lama. A military despotism would be at least more consistent with modern conditions; but a military despotism socialists abjure, and yet believe that they can exact from free and equal citizens an almost animal submission to an authority they elect themselves.

Progress is only possible on the basis of industrial freedom and private property; and in the socialist controversy there is no question about the necessity of progress. That is an assumption common to both sides; socialists of the present day acknowledge it as implicitly as the general opinion of the time. They are no sharers in Mill's admiration for the stationary state; they utterly ridicule his Malthusian horror of a progressive population. They are not prepared to say, Perish progress, but let the people be filled, for they know that human society is not in a condition of health when it ceases to progress; and profoundly impressed as they are with the vital need for a better distribution of wealth, they hesitate to sacrifice for it an increasing production. On the contrary, they claim for their system that it would stimulate progress, as well as spread its blessings, better than the system that exists, and Lassalle at all events frankly declared that unless socialism increased production it would not be economically justifiable. But tried by this test, we have seen reason to find it wanting. The problem to which it addresses itself, the institution of a sound and healthy distribution of wealth, is probably the greatest social problem of the time; but socialism fails to solve it, because no distribution can be sound and healthy which destroys the conditions of further progress. The true

solution must adhere to the lines of the present industrial system, the lines of industrial freedom and private property.

It is one thing, however, to say that the principles of industrial freedom and private property are essential to a healthy distribution, and it is quite another thing to hold that the distribution is then healthiest and most perfect when these principles enjoy the most absolute and unconditional operation. If socialism errs by suppressing them, Laissez-faire runs into the opposite error of giving them unlimited authority. Laissez-faire is perhaps hardly any longer a living faith. The Manchester school is gone, and its doctrines, cast off by the Liberals, are now the last solace of a rigid Conservatism in the Liberty and Property Defence League. But when men still believed in the economical harmonies, they always taught that the best and justest distribution of wealth was that which issued out of the free competition of individuals, and that if this distribution ever turned out to be really faulty or partial, it was only because the competition was not free or perfect enough; because some of the competitors were not sufficiently enlightened as compared with others, or not sufficiently mobile with their labour or capital; in other words, because the competition was not conducted on equal terms. This theory manifestly makes the justice of the distribution effected by free competition to depend on the false assumption of the natural equality of the competitors, and therefore as manifestly implies that unless men are equal in talents and opportunities, the system of unlimited freedom may produce a distribution that is seriously unjust. Laissez-faire thus had a germ of socialism in its being, and at the hour of its highest ascendency in this country was already yielding place

to a younger and more energetic social theory, which can hardly be said to have ripened even yet into definite and self-conscious form, though it has influenced industrial legislation for half a century. Much perplexity seems to exist about the principle that underlies that legislation. It proceeded from no deliberate theory of social politics, but only from practical motives of humanity, bent on relieving distressed classes of the population from the sufferings they were seen to endure. But it undoubtedly involved many successive interferences with industrial freedom, not for the purpose of protecting equality of right, but for the purpose of correcting the effects of inequality of condition. And that was virtually the assumption by the State of a new social rôle; instead of maintaining equal freedom for weak and strong, the State took the part of the weak against the strong; it transgressed the rigid principle of equality of right, and aimed directly, if not at equality of all conditions, yet certainly at the amelioration of the inferior conditions. It is sometimes denied that there is in all this anything in the nature of a new rôle; it is said that these successive interferences were not meant to destroy freedom but to fulfil it; that for labourers living from hand to mouth, the labour contract as then practised was no more a free contract than the capitulation of a beleaguered garrison, when their provisions have run down, is a free capitulation; and that therefore to prevent the labourers from submitting to terms incompatible with their progressive civilisation, was not to violate their legal freedom but to make it a reality. But this is really an admission that legal freedom is after all no more an end in itself than government intervention is; that, on the contrary, it is but a means to a particular condition of human

life which is here called real freedom, which implies participation in progressive civilisation, and which is represented as so supremely desirable a human possession that every citizen has a valid and recognised claim to possess it. And, as a matter of fact, freedom has not been advocated by its best representatives — by men like W. von Humboldt or J. S. Mill, for example — as an end, but merely as an incomparable instrument of human progress, through the play it furnishes to individuality; and since from its very nature it opens the way also for the alternative possibility of decline, if the other conditions tend in that direction, then the same reason that would prescribe freedom as the rule would justify intervention as an exceptional resort, to prevent the physical, moral, or economical decline of any considerable section of the community. Viewed in this light, liberty itself is a kind of negative intervention, and whether the State adopts liberty as its normal instrument, or limitations on liberty as its occasional ones, it is in both cases alike acting as the promoter of social progress rather than as the protector of equal right. In fact, the State cannot divest itself of a distinct social mission, and we need not be surprised that this mission should have extended its operations as industrial society has got more complex and interdependent, and the growing democratic spirit has forced the condition of the people into more constant public consideration.

Many persons seem to be puzzled and alarmed by the prevalence of this tendency in our recent legislation. They are ready to condemn it as socialistic for no better reason than because it interferes with absolute freedom of contract, or of property, or of competition, in the interest of the poorer orders of society; but in reality it is broadly separated from socialism by the fact that

it has never sought to substitute the political providence of the State for the keen and responsible and instructed providence of individuals themselves; that it has always placed individual responsibility rather than social and political organisation in the front of its ideal, and has put restraints on freedom only as exceptional and occasional correctives designed to elicit rather than supersede the personal industry, thrift, and responsibility of the classes in whose behalf it intervened. This may seem to be nothing more than a mere difference of more intervention or less, but there is really a very decisive demarcation between a policy whose aim is to make men rely on their own prudence for their good, and a policy which makes men depend on the State control; a policy whose aim is to facilitate the acquisition of private property, and a policy whose aim is to abolish it; a policy which uses for its lever the ordinary moral and economical motives of individuals, and a policy which trusts to the compulsion of physical force. The State may become social reformer without becoming socialist, when it keeps these distinctions clearly before its view; and, in fact, it is only by following the one series and eschewing the other that the State can in any way really aid the working class in the attainment of their ideal. That ideal they must work out for themselves. It will never be otherwise won, for the qualities trained in working it out are essential to its permanent retention and progressive development.

If, then, there is any truth in these considerations — if the general acquisition of private property, and not its universal abolition, is the demand of the working class ideal — then the business of social reform at present ought to be to facilitate the acquisition of private property; to multiply the opportunities of industrial invest-

ment open to the labouring classes, and to devise means for credit, for saving, for insurance, and the like. While, for reasons already explained, I have been unable to agree with Mr. Cairnes' despondent view of the economic position of the wage-paid labourers, I am entirely at one with him in conceiving the surest means to their progressive amelioration to lie in participation, by one means or another, in industrial capital. Much good may be done by a wider extension of trade-unions, and a better organisation of working class insurance; but the labourers must not rest content till they have found their way, under the new conditions of modern trade, to become capitalists as well as labourers. Co-operative production seems the most obvious solution of this problem; but it is a mischievous, though a common mistake, to regard it as the only solution. The fortunes of the working class are not all embarked in one bottom, and their salvation may be expected to fulfil itself in many ways. I cannot share in the lamentation sometimes made because some of the earlier productive associations have departed from the strict and original form of co-operation, under which all the shareholders in the business were labourers and all the labourers shareholders. In the present situation of affairs, variety of experiment is desirable, for only out of many various experiments can we eventually discover which are most suitable to the conditions and fittest to survive. Co-operative production would perhaps have been further advanced to-day, if co-operators had not been so faithful in their idolatry of their original ideal, and had fostered instead of discouraging variations of type, which may yet justify their superiority by persisting and multiplying. As it is, co-operative production has not been such a complete failure as it is sometimes

represented; it can show at least a few very signal tokens of success and great promise. It is often declared to be inapplicable to the great industries, because they require more capital and better management than co-operative working men are usually able to furnish. But in the town of Oldham there are 75 co-operative spinning mills, with a capital of £5,000,000. They are managed entirely by working men, their capital is cotributed in £5 shares by working men, and they have during the last ten years paid dividends varying from 10 to 45 per cent. These are joint-stock companies rather than co-operative societies in the stricter sense; but they are joint-stock companies of working men, and they furnish to working men in an effective and successful way that participation in the industrial capital of the country which is really what is wanted. It has been stated that there are a thousand operatives working at these mills who are worth £1,000 to £2,000; and besides the mills, there are co-operative stores, building societies, and other working class companies in Oldham, with a combined capital of £3,500,000. In all these ways the zone of participators in property broadens, and hope and stimulus are introduced into the labourer's life. The truth seems to be that the great need of the working man is not so much money to invest as opportunity and motive for investment. The amount lodged in savings banks, the amount raised by trade-unions, the amount wasted in drink, the amount wasted in inefficient household economy, which might be much lessened by better instruction in the arts of cookery and household management — all show that large numbers of the working class possess means at their disposal to constitute at least the beginnings of their emancipation, if good opportunities were open to them of using it

advantageously in productive enterprise. Co-operation and industrial partnerships are not the only means by which this might be realised. Private firms might initiate a practice of reserving a certain amount of their capital to constitute a kind of stock for their workmen to invest their savings in, under—if that were legalised—limited liability. One advantage of this plan over the ordinary industrial partnership would be, that while, like it, it would enhance the workmen's zeal in their work, it could not possibly have the effect of reducing wages, because the stock would be a free investment, and would probably not be taken up by all or by more than a majority of the workmen. Again, with a reform of our land laws, small investments in land will no doubt be facilitated, especially among the agricultural class.

Socialists would no doubt condemn all such investments for the same reason as they generally condemn the co-operative movement, because they would tend to create "a new class with one foot in the camp of the *bourgeoisie* and the other in the camp of the proletariate." But that is precisely one of their chief advantages, and in making this objection socialists only betray how completely they ignore the operation of those portions of human nature that are the real forces and factors of social progress. It is only by linking a lower class to a higher that you can raise the level of the whole, and every pathway the working class makes into a comfortable equality with the lower *bourgeoisie* will constitute at once an opportunity and a spur for others to follow them, which will exercise an elevating effect upon the entire body. If it were generally open to all the labouring classes to begin by being wage-labourers and end by sharing in some degree in the industrial

capital of the country, this would raise the level of the whole — of those who after all remained wage-labourers still, as well as of those who succeeded in gaining a better competency. It would give them all something to keep looking forward to during their working life, something to save for and strive after, and a higher standard of comfort would get diffused and considered necessary in the class generally through the example of the better off. For the more comfortably situated working men — whether they have won their comfort by co-operation or otherwise — have not passed out of their class. They have, as is alleged, one foot in the camp of the proletariate still. They live and move and have their being among working people, and constitute by their presence and social connections a stimulating and elevating agency. It is through connections like these that the ideas of comfort and culture that prevail among an upper class permeate through to a lower, and thus elevate the general standard of living upon which the level of wages so much depends. Even the minor inequalities in the ranks of the working class are not without their use in quickening their exertions to maintain the standard of respectability which they have won or inherited. Economists were not wrong in ascribing so much influence as they always have done to men's tenacity in adhering to their customary standard of life. Many striking illustrations of its beneficial operation might be mentioned; I select one, because it concerns an aspect of the condition of the labouring classes of this country that is at present attracting much attention, their house accommodation. In all our large cities, the house accommodation of the working class has hitherto been about as bad as bad could be, but there is one singular exception — it is Sheffield. Porter drew attention

to the fact many years ago. "The town itself," he says, "is ill built and dirty beyond the usual condition of English towns, but it is the custom for each family among the labouring population to occupy a separate dwelling, the rooms of which are furnished in a very comfortable manner. The floors are carpeted, and the tables are usually of mahogany. Chests of drawers of the same material are commonly seen, and so in many cases is a clock also, the possession of which article of furniture has often been pointed out as the certain indication of prosperity and of personal responsibility on the part of the working man" ("Progress of the Nation," p. 523). The same condition of things still prevails, for at the meeting of the British Association in Sheffield in 1879 Dr. Hime read a paper on the vital statistics of the town, in which he says: — "Although handsome public buildings are not a prominent feature in the town, still there are few towns in England where the great bulk of the population is so well provided for in the way of domestic architecture. Overcrowding is very rare, cellar dwellings are unknown; and almost every family has an entire house, a most important agent in securing physical as well as moral health" (Transactions of British Association, 1879). Now this is a fact of the highest interest, and we naturally ask what peculiarity there is in the trade or circumstances of Sheffield, in the first place, to create such an exceptional excellence in the standard of working class house accommodation, and, in the next place, to maintain it. One thing is certain; it is not due to better wages. There are trades in Sheffield very highly paid, but the labourers belonging to them are described by the anonymous author of "An Inquiry into the Moral, Social, and Intellectual Condition of the Industrious Classes of Sheffield"

(London, 1839) as being much less comfortable in their circumstances than the others. This writer speaks of some trades in which "the workmen are steady, intelligent, and orderly, seldom the recipients of charity or parochial relief. They depend on their own exertions for the respectable maintenance of their families, and when trade is depressed they strive to live on diminished wages, or fall back on resources secured by industry and economy. This healthy and vigorous condition is not attributable to high wages. The workmen in the edge-tool trade are extravagantly remunerated, and yet, as a body, they are perhaps as irregular and dissipated in their habits as any in the town. Their families, in time of good trade, feel few of the advantages of prosperity, and when labour is little in demand they are the first to need the aid of charity. These differences are familiar to the most superficial observer of the social and moral condition of the workmen in the several branches" (p. 14). But the same writer mentions a peculiarity in the trade of Sheffield which, he says, marks it off from every other manufacturing town, and that peculiarity may serve to provide us with the explanation we are seeking. "With us," he says, "the distinctions between masters and men are not always well marked. Persons are to a great extent both. The transition from the one to the other is easy and frequent in those branches where the tools are few and simple, and the capital required extremely small, which applies to the whole of the cutlery department." "The facility with which men become masters causes extraordinary competition, and its inevitable result, insufficient remuneration." "Here merchants and manufacturers cannot become princes. . . . There is not sufficient play for large fortunes. The making of fortunes is with us a

slow process. It is, however, far from being partial. . . . The longer period required in the making of them allows the mind time to adapt itself to its improved circumstances, not merely the speculative and money-getting part of the understanding, but the whole of its social, moral, and intellectual powers, without which means are a questionable good. Wealth and intelligence are accordingly with us more generally associated than in towns where immense fortunes are rapidly made. In the latter case, there is no time for adaptation, nor is it deemed necessary or at all important, where money is the measure by which all things are estimated. Another evil dependent on this sudden elevation in life is the great distance which is immediately placed between employer and employed" (p. 15). Class and class are thus better knit together in Sheffield than elsewhere. The exceptional facility of becoming masters seems to be the particular instrumentality which has brought down the ideas and habits of comfort of the *bourgeoisie* and spread them among the working class, and which has always prevented the great mass of the latter from sinking contentedly into a lower general standard of life. It introduced among them that social ambition, which is the most effective spur to progress, and the best preservative against decline. The fact that the exceptionally good house accommodation which prevails among the labouring population of Sheffield is not owing to exceptional, or even at all superior, wages, is one of much hope and encouragement. What is possible in Sheffield cannot be impossible elsewhere; and what is possible in the matter of house accommodation cannot be hopeless in other branches of consumption.

I shall be told that in all this I am only repeating the foolish idea of the French princess, who heard the

people complain they could not get bread, and asked why then they did not buy cake. Where combinations are possible, it will be said, investments may be also possible; but the great majority of the working class are not in a position to combine, and it is mere mockery to tell people to save and invest who can hardly contrive to cover their backs. To this I reply, that there is no reason to assume that trade-unions have reached the utmost extension of which they are susceptible, or to despair of their introduction into the hitherto unorganised trades. It was only lately common to deny the possibility of combination among agricultural labourers, and yet, scattered as they are, they have shown themselves not only able to combine, but to raise wages effectively by means of their combinations. It would no doubt be a much more difficult task to introduce an efficient organisation among people like needle-women or unskilled day labourers, but it is far from impossible, and its initial difficulties might be smoothed by philanthropic assistance. It is true that, even when organisation has spoken its last word, much of the distressing poverty that now exists would probably still remain, because we must not disguise from ourselves the fact that much of that poverty is the direct fruit of vice, disease, or indolence. But socialism could not cope with this mass of misery any better than the present system, for men don't drink and loaf and enter into improvident marriages or illicit alliances because they happen to be paid for their labour by contract with a capitalist instead of valuation by a State officer, and they certainly would not cease doing any of these things because an indulgent State undertook to save them from the natural penalties of doing them.

CHAPTER IX.

PROGRESS AND POVERTY.[1]

MR. GEORGE sent his book into the world with the remarkable prediction that it would find not only readers but apostles. "Whatever be its fate," he says, "it will be read by some who in their heart of hearts have taken the cross of a new crusade. . . . The truth I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends — those who will toil for it, suffer for it; if need be, die for it. This is the power of the Truth" (p. 393). Mr. George's prediction is not more remarkable than its fulfilment. His work has had an unusually extensive sale; a hundred editions in America, and an edition of 60,000 copies in this country are sufficient evidences of that; but the most striking feature in its reception is precisely that which its author foretold: it created an army of apostles, and was enthusiastically circulated, like the testament of a new dispensation. Societies were formed, journals were devised to propagate its saving doctrines, and little companies of the faithful held stated meetings for its reading and exposition. It was carried as a message

[1] Progress and Poverty: An inquiry into the cause of industrial depressions, and of the increase of want with increase of wealth. The Remedy. By Henry George. London: Kegan Paul, Trench & Co.

of consolation to the homes of labour. The author was hailed as a new and better Adam Smith, as at once a reformer of science and a renovator of society. Smith unfolded "The Nature and Causes of the Wealth of Nations," but to Mr. George, we were told, was reserved the greater part of unravelling "the nature and causes of the poverty of nations," and if the obsolete science of wealth had served to make England rich, the young science of poverty was at length to make her people happy with the money. Justice and liberty were to begin their reign, and our eyes were to see — to quote Mr. George's own words — "the City of God on earth, with its walls of jasper and its gates of pearl" (p. 392).

The fervour of this first reception may — as was perhaps only natural — have suffered some abatement since, but it affords a striking proof how largely modern society is disquieted by the results of our vaunted industrial civilisation. Even those amongst us who are most unwilling to disparage the improvement that has really taken place during the last hundred years in the circumstances of the people, still cannot help feeling that the improvement has fallen far short of what might have been reasonably expected from the contemporaneous growth of resources and productive power. But numbers of people will not allow that any improvement has occurred at all, and deliver themselves to an unhappy and unwarranted pessimism on the whole subject. Because industrial progress has not extinguished poverty they conclude that it has not even lessened it, that it has no power to lessen it, nay, that its real tendency is to aggravate it, that it increases wealth with the one hand but increases want with the other, so that civilisation has developed into a purely upper class feast,

where the rich are grossly overfilled with good things, and the poor are sent always emptier and emptier away. Invention, they tell us, has followed invention; machinery has multiplied the labourer's productivity at least ten-fold; new colonies have been founded, new markets and channels of commerce opened in every quarter of the globe; gold fields have been discovered, free trade has been introduced, railways and ocean steamers have shortened time and space themselves in our service. Each and all of these things have excited hopes of introducing an era of popular improvement, and each and all of them have left these hopes unfulfilled. They think, therefore, they now do well to despair, and they fortify themselves in their gloom by citing the opinion of Mr. Mill, that "it is questionable whether all the mechanical inventions yet made have lightened the day's toil of any human being," without observing that Mr. Mill immediately follows up that opinion by expressing the confident assurance that it was "in the nature and the futurity" of these inventions to effect that improvement. These gloomy views have in France received the name of *Sisyphism*, because they represent the working class under the present industrial system as being struck with a curse like that of Sisyphus, always encouraged by fresh technical advantages to renewed expectations, and always doomed to see their expectations perish forever.

Now, it was upon these despondent and burdened souls that Mr. George counted so confidently, and, as time has shown, so correctly, for his apostles and martyrs; and he counted so confidently upon them because he had himself borne their sorrows, and drunk of their despair, and because he now believed most entirely that his discoveries would bring "inexpressible cheer" to

their minds, as, in the same circumstances, they had already brought inexpressible cheer to his own. "When I first realised," he says, "the squalid misery of a great city" — that is, of the latest and most characteristic product of industrial development — "it appalled and tormented me, and would not let me rest for thinking of what caused it and how it could be cured" (p. 395). Poverty seemed to him to be most abounding and most intense in precisely the most advanced countries in the world. "Where the conditions to which material progress everywhere tends are most fully realised — that is to say, where population is densest, wealth greatest, and the machinery of production and exchange most highly developed — we find the deepest poverty, the sharpest struggle for existence, and the more enforced idleness" (p. 4). Nay, poverty, he thought, seemed "to take a darker aspect" in every community at the very moment when it might be reasonably expected to brighten — at the moment when the community made a distinct advance in material civilisation, when "closer settlements and a more intimate connection with the rest of the world and greater utilisation of labour-saving machinery make possible greater economies in production and exchange, and wealth increases in consequence, not merely in the aggregrate, but in proportion to population" (p. 4). This process of impoverishment might, he says, escape observation in an old country, because such a country has generally contained from time immemorial a completely impoverished class, who could not be further impoverished without going out of existence altogether, but in a new settlement like California, where he resided, poverty might be seen almost in the act of being produced by progress before one's very eyes. While the colony had nothing better than log

cabins or cloth shanties, "there was no destitution," though there might be no luxury. But "the tramp comes with the locomotive, and alms-houses and prisons are as surely the marks of 'material progress' as are costly dwellings, rich warehouses, and magnificent churches" (p. 4). "In the United States it is clear that squalor and misery, and the vices and crimes that spring from them everywhere, increase as the village grows to the city, and the march of development brings the advantages of improved methods of production and exchange. It is in the older and richer sections of the Union that pauperism and distress are becoming most painfully apparent. If there is less deep poverty in San Francisco than in New York, is it not because San Francisco is yet behind New York in all that both cities are striving for? When San Francisco reaches the point where New York now is, who can doubt that there will also be ragged and barefooted children in her streets?" (p. 6). The prospect alarmed and agitated him profoundly. It deprived him, as it has deprived so many of the continental socialists, of all religious belief, for if the real order of things make an ever-deepening poverty to be the only destiny of the mass of mankind, it seemed vain to dream of a controlling providence or an immortal life. "It is difficult," says he, "to reconcile the idea of human immortality with the idea that nature wastes men by constantly bringing them into being where there is no room for them. It is impossible to reconcile the idea of an intelligent and beneficent Creator with the belief that the wretchedness and degradation, which are the lot of such a large proportion of human kind, result from his enactments; while the idea that man mentally and physically is the result of slow modifications perpetuated by he-

redity, irresistibly suggests the idea that it is the race life, not the individual life, which is the object of human existence. Thus has vanished with many of us, and is still vanishing with more of us, that belief which in the battles and ills of life affords the strongest support and deepest consolation" (p. 396).

The inquiry Mr. George undertook was consequently one of the most vital personal concern to himself, and we are glad to think that it has been the means of restoring to him the faith and hope he prizes so much. "Out of this inquiry," he tells us, "has come to me something I did not think to find, and a faith that was dead revives" (p. 395).

It may be ungracious to disturb a peace won so sorely and offered so sincerely to others, but the truth is, Mr. George has simply lost his faith by one illusion and recovered it again by another. He first tormented his brain with imaginary facts, and has then restored it with erroneous theories. His argument is really little better than a prolonged and, we will own, athletic beating of the air, but since both the imaginary facts and the erroneous theories of which it is composed have obtained considerable vogue, it is well to subject it to a critical examination. I shall therefore take up successively, first, his problem; second, his scientific explanation; and third, his practical remedy.

I. Mr. George's Problem.

He states his problem thus: — "I propose to seek the law which associates poverty with progress and increases want with advancing wealth" (p. 8). The first rule of scientific investigation is to prove one's fact before proceeding to explain it. "There are more false facts than false theories in the world," and a short examination whether a phenomenon actually exists may

often relieve us from a long search after its law. Mr. George, however, does not observe this rule. He seeks for the law of a phenomenon without first verifying the phenomenon itself, nay, apparently without so much as suspecting that it ought to be verified. He assumes a particular view of the social situation to be correct, because he assumes it. But his assumption is a purely subjective and, as will presently be shown, delusive impression. We imagine our train to be going back when a parallel train is going faster forward, and we are apt to take the general condition of mankind to be retrograding when we fix our eyes exclusively on the rapid and remarkable enrichment of the fortunate few. What Mr. George calls "the great enigma of our time" is just the enigma of the apparently receding train, and he proceeds to solve it by coiling himself in a corner and working out an elaborate explanation from his own inner consciousness "by the methods of political economy," instead of taking the simple and obvious precaution of looking out of the opposite carriage-window and testing, by hard facts, whether his impression was correct. Had he taken this precaution, had he resorted to an examination of the actual state of the facts, he would have found good reason to change his impression; he would have found that on the whole poverty is not increasing, that in proportion to population it is considerably less in the more advanced industrial countries than in the less advanced ones, and that he had simply mistaken unequal rates of progress for simultaneous movements of progress and decline. His impression, it must be admitted, is a prejudice of considerable currency; there are many who tell us, as he does, that want is growing *pari passu* with wealth, and even gaining on it; that if the rich are getting richer, the poor are at the

same time getting poorer; but it is a question of fact, and yet no one has ever seriously tried to prove the assertion by an appeal to fact. That Mr. George should have neglected to submit it to such a test, is the more remarkable, because he was, as he has told us, "tormented" in mind by it, and because he acknowledges that it is a "paradox" — *i.e.*, against the reason of the case, and that it is also, to some extent at least, against appearances. He owns, for example, that "the average of comfort, leisure, and refinement has been raised," and that though the lowest class may not share in these gains, yet even they have in some ways improved. "I do not mean," he says, "that the condition of the lowest class has nowhere nor in anything been improved, but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in no wise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay more, that it is to still further depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down" (p. 5). From this passage it would appear that, according to Mr. George, the condition of all except the lowest class has improved *in consequence of* material progress, and that the condition of the lowest class has improved *in spite of* it. He does not undertake, it seems, to affirm of any class that it has, as a matter of

actual fact, become impoverished in the course of social development, but only that there is a tendency in the increase of productive power — in "the new productive forces" — in "material progress" — to impoverish the lower strata of society. But then he contends that these forces are practising exactly the same tendency on some of the highest strata, on classes that we know have been growing richer and richer every day. For he tells us that these new forces, entering our social system like a wedge, depress all who happen to be on the wrong side; and we shall presently discover that this unhappy company on the wrong side of the wedge embraces many groups of persons who will be excessively astonished to learn that they are there. It includes, not only the poor labourers who live on wages, but the great capitalists who live on profits; the great cotton spinners, ironmasters, brewers, bankers, contractors; the very men, in short, of all the world, whom the new productive forces have most conspicuously and enormously enriched. I shall revert to this preposterous conclusion later on, but at present it is enough to say that a tide, which so many have swum against and swum to fortune, cannot be very formidable, and at all events can furnish no clue whatever to the possible condition of those who are exposed to it. For that we have only one resort. It is a plain question of fact — is poverty really increasing? Are the poor really getting poorer? And this can only be competently decided by the ordinary inductive evidence of facts. The data of this kind which we possess for settling the question, may not be so exact as would be desirable, but there is no higher tribunal to which we can appeal. The question must be answered by them or not answered at all.

Now any data we have all conduct to the conclusion that poverty is not increasing. If poverty were increasing with the increase of wealth, it would show itself either in an increase of pauperism, or in a decline in the general standard of living among the working classes, or in a fall in the average duration of life, and these symptoms would be most acute in the countries that are most wealthy and progressive. Now, let us take England as a crucial case of a country in a very advanced stage of industrial development. Is English pauperism greater now than it was before the "new productive forces" entered the country? Is the general standard of living among the labouring classes lower? Is the average duration of life less? Are poverty and the various symptoms of poverty more acute in England than in more backward countries?

In a foot-note to the passage last quoted from his book, Mr. George explains that the improvement he recognises in the lot of the lowest class does not consist in greater ability to obtain the necessaries of life. Does he mean, because more things are now reckoned among the necessaries of life? If so, we fear there is no chance of that difficulty being removed, nor indeed is there any reason for desiring it to be so. Men's wants will always increase with their incomes, and the struggle to make both ends meet may in that case indefinitely continue. But the fact remains that they have more wants satisfied than before, that they realise a higher standard of life, and that is the mark, and indeed the substance, of a more diffused comfort and civilisation. It is true that as the general standard of living rises, people feel the pinch of poverty at a higher level than before, and become pauperised for the want of comforts that are now necessary, but which formerly few ever dreamt of

possessing. To have no shoes is a mark of extreme indigence to-day; it was the common lot a century ago. People may be growing in general comfort, and yet their ability to obtain necessaries remain stationary, because their customary circle of necessaries may be always widening. The real sign of an advancing poverty is when the circle of recognised necessaries is getting narrow, and yet men have more difficulty in obtaining them than before; in other words, 1st, when the average scale of living falls; and 2nd, when a larger proportion of the people are unable to obtain it, reduced though it be. Now, in England, the contrary has happened; the general standard of living has risen, and the proportion of those who are unable to obtain it has declined.

In the preceding chapter I adduced evidence to show how greatly improved the working class standard of living now is from what it was two hundred years ago, in the good old times socialist writers like to sing of, when men had not yet sought out many inventions and the world was not oppressed by the large system of production. But let us tap the line between then and now at what point we may, and we find the same result; the tendency is always to a better style of living. Mr. Giffen, for example, in his address, as President of the Statistical Society, on 20th November, 1883, compares the condition of the working classes to-day with their condition half a century since, and concludes from official returns that while the sovereign goes as far as it did then in the purchase of commodities, money wages have increased from 30 to 100 per cent., and, at the same time, the hours of labour have been reduced some 20 per cent. Except butcher meat and house-rent, every other element of the working man's expenditure is

cheaper, and butcher meat was fifty years ago hardly an element of his expenditure at all, and the kind of house he then occupied was much inferior, as a rule, to what he occupies now, bad as the latter may in many cases be.

But while the general standard of comfort has been rising, the proportion of the population who are unable to obtain it has been diminishing. I have already stated that King estimated the number of persons in receipt of relief in England and Wales in 1688 at 900,000. Now in 1882 the average number in receipt of relief at one and the same time was, according to official returns, 803,719; and if we are right in doubling that figure to find the whole number of paupers relieved in the course of the year (that being the proportion borne in Scotland), then we may conclude that there are some 1,600,000 paupers in England and Wales at the present day. That is to say, with nearly five times the population, we have less than twice the pauperism. The result is far from being entirely gratifying; a million and a half of paupers (with more than half as many again in Ireland and Scotland) constitute a very grave problem, or rather ganglion of problems; but the fact supplies a decisive enough refutation of the pessimist idea that the actual movement of pauperism has been one of increase instead of one of decrease.

During these two hundred years there is no period in which wealth and productive power multiplied more rapidly than the last thirty years, and, therefore, if Mr. George's ideas were correct, there is no period that should show such a marked increase of pauperism. What do we find? We find that pauperism has steadily declined in England during that period. The decrease has been gradual and attended with no such striking

interruptions as were frequently exhibited in former times. But the most remarkable feature about it is that the number of able-bodied paupers has diminished by nearly a half; from 201,644 in 1849 to 106,280 in 1882. That is the very class of paupers whom Mr. George represents it to be the special effect of increasing productive power to multiply, and yet, though wealth and productive power have made almost unexampled progress, and though the population has also considerably risen, in the interval, we have not more than half as many of this class of paupers now as we had thirty years ago. No doubt this result is due in part to a better system of administering relief, just as it is due in part to the growth of trade-unions and friendly societies, to the extension of savings banks, and to other agencies. But if Mr. George's principle is true, could such a result have taken place at all? If "material progress" has a tendency to multiply "tramps" or able-bodied paupers, the tendency must be weak, indeed, when a little judicious management on the part of public bodies, or of working men themselves, would not only counteract it, but turn the current so strongly the other way. But the truth is that the "tramp" has never been so little of a care in this country as at the present hour, and that it is to material progress we owe his disappearance. He was a very serious problem to our ancestors for centuries and centuries. The whole history of our social legislation is a history of ineffectual attempts to deal with vagrants and sturdy beggars, and we are less troubled with them now mainly because industrial progress has given them immensely more opportunities of making an honest and regular living. Industrial progress has all along been creating work and annihilating tramps, but it has all along been followed by absurd and

perverse complaints like Mr. George's, that it was only creating tramps and annihilating opportunities of work. Mr. George says the tramp comes with the locomotive, but a writer in 1673 (quoted by Sir F. Eden, "State of the Poor," I., 190) declared that he came with the stage coach. He pictures the happy age before stage coaches, when (as Mr. George says of California) there might be no luxury but there was no destitution, when every man kept one horse for himself and another for his groom. But with the introduction of the stage coach the scene was changed. People got anywhere for a few shillings, and ceased to keep horses. They were so much the richer themselves, but their grooms were ruined and thrown upon the world without horse or home. Now class privations like these are incidental to industrial transformations, and in an age of unusual industrial transitions like ours, they may be expected to be unusually numerous. But the effect of material progress on the whole is to prevent such privations rather than cause them. It multiplies temporary redundancies of labour, but it multiplies still more the opportunities for permanently relieving them. Why are we now free from the old scourges of famine and famine prices? Partly because of free trade, but mainly because of improved communications, because of the steamer and the locomotive. Even commercial crises are getting less severe in their effects. The distress among our labouring classes during the American Civil War was nothing compared with their sufferings under the complete paralysis of industry that followed the close of the great continental war in 1815. Miss Martineau tells us of that time: —"The poor abandoned their residences, whole parishes were deserted, and crowds of paupers, increasing in numbers as they went from parish to parish, spread

wider and wider this awful desolation" ("History of England," I. 39.) No such severe redundancy of labour has taken place since then, and the redundancies that attend changes of fashion or of mechanical agency, though they undoubtedly constitute a serious difficulty, are yet lightened and not aggravated by the various and complex ramifications of modern industry. Except a new colony there is no place where new comers are so easily taken on as in a highly-developed industrial country. There are more poor in Norway than in England, and they are increasing, yet in Norway there is no rent and no great cities. Mr. George may say, and in fact he does say, that in old countries the number of paupers is reduced by simple starvation; but if that were so, the death rate would be increasing. But in England the death rate is really diminishing. Let us again quote from Mr. Giffen's address: — "Mr. Humphreys, in his able paper on 'The Recent Decline in the English Death Rate,' showed conclusively that the decline in the death rate in the last five years, 1876–80, as compared with the rates on which Dr. Farr's English Life Table was based — rates obtained in the years 1841–45 — amounted to from 28 to 32 per cent. in males at each quinquennial of the 20 years, 5–25, and in females at each quinquennial from 5–25, to between 24 and 35 per cent.; and that the effect of this decline in the death rate was to raise the mean duration of life among males from 39.9 to 41.9 years, a gain of two years in the average duration of life. Mr. Humphreys also showed that by far the larger proportion of the increased duration of human life in England was lived at useful ages, and not at the dependent ages of either childhood or old age. No such change could have taken place without a great increase in the vitality of the people.

Not only had fewer died, but the masses who had lived must have been healthier and suffered less from sickness than they did. From the nature of the figures also the improvement must also have been among the masses and not among a select class where figures threw up the average. The improvement, too, actually recorded obviously related to a transition stage. Many of the improvements in the condition of the working classes had only taken place quite recently. They had not, therefore, affected all through their existence any but the youngest lives. When the improvements had been in existence for a longer period, so that the lives of all who are living had been affected from birth by the changed conditions, we might infer that even a greater gain in the mean duration of life will be shown. As it was the gain was enormous. Whether it was due to better and more abundant food and clothing, to better sanitation, to better knowledge of medicine, or to these and other causes combined, improvement had beyond all question occurred." The decline of pauperism in this country then is not due to any increasing mortality in the classes from which the majority of the paupers come; but it is one among many other proofs that these classes have profited, like their neighbours, by the course of material progress. They may not have profited in the same degree as some others, or in the degree we think desirable and believe to be yet possible for themselves. But they have profited. The situation is really, as we have said, one of unequal rates of progress, and not one of simultaneous progress and decline.

And this Mr. George seems, at a later stage of his argument, freely to admit. For when he comes to state "the law which associates poverty with progress and in-

creases want with advancing wealth," he explains that he does not contend that poverty is associated with progress at all, but only that a lessening proportion of the gross produce of society falls to some classes; that want may possibly not in the least increase with advancing wealth; that all classes may be the wealthier for the growth of wealth, and practically, that the only evidence of the poverty of the poor is the greater richness of the rich. It seems he is not explaining in any wise why the poor are getting poorer, but only why they are not getting rich so fast as some of their neighbours. We must quote chapter and verse for this extraordinary vacillation about the very problem he wants to solve. "Perhaps," he says, in the last paragraph of Book III., chapter vi. (p. 154), "it may be well to remind the reader, before closing this chapter, of what has been before stated — that I am using the word wages, not in the sense of a quantity, but in the sense of a proportion. When I say that wages fall as rent rises, I do not mean that the quantity of wealth obtained by labourers as wages is necessarily less, but that the proportion which it bears to the whole produce is necessarily less. The proportion may diminish while the quantity remains the same, or even increases. If the margin of cultivation descends from the productive point, which we will call 25, to the productive point we will call 20, the rent of all lands that before paid rent will increase by this difference, and the proportion of the whole produce which goes to labourers as wages will to the same extent diminish; but if in the mean time the advance of the arts or the economies that become possible with greater population have so increased the productive power of labour that at 20 the same exertion will produce as much wealth as before at

25, labourers will get as wages as great a quantity as before, and the relative fall of wages will not be noticeable in any diminution of the necessaries or comforts of the labourer, but only in the increased value of land and the greater comforts and more lavish expenditure of the rent receiving class." It thus turns out that the alleged impoverishment of the labouring classes through the increasing wealth of society — the sad and desolating spectacle that "tormented" Mr. George "so that he could not rest" — the cruel mystery that robbed him even of his religious faith, and moved him to write his powerful but inconclusive book — this was no real impoverishment at all, but only an apparent one. It is not so much as "noticeable" in "any diminution of the necessaries or comforts of the labourer," it is noticeable only in "the greater comforts and more lavish expenditure of the rent receiving class." The poverty of the labourer consists in the greater wealth of the landlord. The poor are not poorer; they only *seem* poorer, because certain of the rich have got so much richer. The problem is thus, on Mr. George's own showing, just the mock problem of the apparently receding train.

But let us take up this new issue. Mr. George's assertion now is that wages are a less proportion of the gross produce of the country than they were, because rent absorbs a correspondingly larger proportion than it did. Is that so? Mr. George does not think of showing that it is: he assumes it, without apparently having the smallest pretence of fact for his assertion. His assumption is entirely wrong. Rent is a much smaller proportion of the gross produce of the country than it was, and wages are not only in their aggregate a larger proportion of the aggregate produce of the country, but in their average a larger proportion of the

per capita production. There is no need to rest in random assumptions on the matter. The gross annual produce of the United Kingdom is reckoned at present at twelve hundred millions sterling, the rent of the land at less than seventy millions, or about one-seventeenth of the whole. In the time of King and Davenant, 200 years ago or so, the annual produce of England and Wales was forty-three millions, and the rent of land ten millions, little less than one-fourth (Davenant's Works, iv., 71). It is hardly worth while, however, making a formal assertion of so self-evident a proposition as that rent constitutes a much smaller fraction of the national income now that wealth is invested so vastly in trade and manufactures, than it did when agriculture was the one great business of life; but it is perhaps better worth showing that rent does not absorb a greater proportion even of the agricultural produce of the country than it used to do. Rent has risen nearly 200 per cent. in the course of the last hundred years, but it does not take one whit a larger share of the gross produce of the land than it took then.

According to the calculations of Davenant and King, the gross produce of agriculture amounted, at the time of the Revolution, to four rents, or, allowing for tithes, to three rents; but this was only on the arable. The produce of other land, natural pasture and forest land and the like, came to less than two rents; so that while the rent of arable was not more than a third of the produce (or to state it exactly 27 per cent.), the rent of land generally was more nearly a half. The figures are—

	Gross Produce.	Rent.
Arable Land	£9,079,000	£2,480,000
Other Land	12,000,000	7,000,000
Total	£21,079,000	£9,480,000

(Davenant's Works, iv., 70). Arthur Young, a century later, declares that the doctrine of three rents was already exploded, and that farmers had begun to expend so much on high cultivation that they would be very ill content if they produced no more than three rents. In fact, he declares that even in former times rent could never have amounted to a third of the produce, except on lands of the very first quality, and that a fourth was more probably the average proportion. In his "Political Arithmetic," published in 1779 (Part II., pp. 27, 31), he estimated the gross agricultural produce of England (exclusive of Wales) at £72,826,827, and the gross agricultural rental at £19,200,000, or 26 per cent., very nearly one-fourth of the produce. To come down nearer our own time, M'Culloch estimated the gross agricultural produce of England and Wales in 1842–3 to have been £141,606,857, and the gross agricultural rental £37,795,905, or 26 per cent. of the produce ("Statistical Account of the British Empire," 3rd Edition, p. 553). The gross agricultural produce of the United Kingdom is now 270 millions sterling, and the gross agricultural rental 70 millions — Mr. Mulhall, indeed, estimates it at only 58 millions; but at 70 millions it would be as nearly as possible, 62 per cent., curiously enough the same figure exactly as in 1843 and in 1779, and almost the same as in 1689.

So far of rent; now as to wages. I have already, in last chapter (p. 348), produced some evidence to show that the average labourer's wages bear a higher proportion to the average income of the country, or, in other words, that the labourer enjoys a higher *per capita* share of the gross annual produce of the country than he did in former times, and I need not repeat that evidence here. Mr. Mulhall has made some calculations which

confirm the conclusions there drawn ("Dictionary of Statistics," p. 246). He compares the income of the people of the United Kingdom at the three epochs of 1688, 1800, and 1883. He divides the people into classes and numbers them by families, stating the total income of each class and the total number of families among whom it was divided. I select the two columns containing the results for the whole population and the results for the working class.

I. Number of Families —

	A.D. 1688.	A.D. 1800.	A.D. 1883.
Whole Nation	1,200,000	1,780,000	6,575,000
Working Class	759,000	1,117,000	4,629,000

II. Earnings —

	A.D. 1688.	A.D. 1800.	A.D. 1883.
Whole Nation	£45,000,000	£230,000,000	£1,265,000,000
Working Class	11,000,000	78,000,000	447,000,000

A single glance at these tables will show that the aggregate wages of the country constitute a slightly better proportion of its aggregate annual income at present than in 1800, and a decidedly better proportion than in 1688. But if we look, not to the aggregate income of the class, but to the average income of the individual families it contains, the result is in nowise more favourable to Mr. George's assumption. The following table will show that: —

III. Average Income of Families —

	A.D. 1688.	A.D. 1800.	A.D. 1883.
Whole Nation	£37	£129	£189
Working Class	14	69	96

The average working class income was thus 37 per cent. of the average income of the country in 1688; 53 per cent. of it in 1800; and 51 per cent. of it in 1883. The

difference between the last two epochs is so indecisive that we may count them practically identical. The real position of affairs then as to the proportion of wages to national produce is this, that wages enjoy a considerably larger share of that produce now than they did at the end of the seventeenth century, and about the same proportion as they enjoyed at the end of the eighteenth. If, accordingly, Mr. George resolves to stick by the point of proportion he would therefore have no more solid ground to stand on than on the point of quantity. Rent, as a proportion of the entire wealth of the country, has enormously declined, and even as a proportion of agricultural wealth, has not increased. Wages as a proportion have not declined, but rather risen.

These, among other things, are indications that we have been concluding too hastily that concentration of wealth is the characteristic tendency of the time, and ignoring the existence of many minor and less conspicuous forces which have been working in the contrary direction. The real prospect at present is towards diffusion. The enormous accumulations that have marked the last hundred and fifty years have owed their existence largely to causes that cannot be expected to endure; in the case of land, to vicious laws directly favouring aggregations, and in the case of trade, to the unparalleled rapidity of the transformations and extensions industry has undergone during the period. Great inequalities are natural to such a time. Huge fortunes are made by pioneers, and will not be easily made by their successors. Railway contracting will never produce again a millionaire like Mr. Brassey, but it will continue to furnish the means of many moderate fortunes and competencies. So with every other new

branch of industry, or new field of investment. The lucky person who is the first to occupy it may rise to great riches, but his successors will divide the custom, and instead of one large fortune, there will be a considerable number of small ones. Mr. George himself admits that the opportunities of making large fortunes are growing more limited, but oddly enough he considers the fact to be a signal evidence of "the march of concentration." In his "Social Problems" (p. 59) he writes: "An English friend, a wealthy retired Manchester manufacturer, once told me the story of his life. How he went to work at eight years of age, helping to make twine, when twine was made entirely by hand. How when a young man, he walked to Manchester, and having got credit for a bale of flax, made it into twine and sold it. How, building up a little trade, he got others to work for him. How when machinery began to be invented, and steam was introduced, he took advantage of them, until he had a big factory and made a fortune, when he withdrew to spend the rest of his days at ease, leaving his business to his son. 'Supposing you were a young man now,' said I, 'could you walk into Manchester and do that again?' 'No,' replied he, 'no one could. I couldn't with fifty thousand pounds in place of my five shillings.'" The true moral of this little story is of course that it is more difficult to amass a huge fortune in that particular line now than when machinery was young, and that a man with £50,000 to start with must now content himself with a much poorer figure than Mr. George's lucky friend made out of nothing. Would Mr. George compute what limit could be set to the sum his friend might have amassed, had he started in those golden days with £50,000 instead of five shillings? Even as things stood,

his solitary success did not distribute the wealth of Manchester any the better among his fellow spinners who were not fortunate enough to get credit for a bale of flax, or pushing enough to ask for it, and were not in a position to take advantage of the first introduction of a new power, and rise with it to great wealth. That the stream of things is now making for more moderate fortunes, and more of them, is confirmed by the testamentary statistics of the last ten years recently published by the *Spectator* newspaper. These figures show that the number of fortunes of the first rank left during that period has been very much less than it was in the preceding ten years, but that the number of moderate fortunes has been very much larger.

What the future may hide in it I shall not venture to divine. It will no doubt bring upon industry fresh transformations, but we can hardly expect them to be so numerous or so rapid as in the brilliant era of industrial progress and colonial development we have passed through, and some at least of the changes that are in store for us point, as I have shown in the introductory chapter of this book, to a greater diffusion rather than a greater concentration in the future. Mr. George says: "All the currents of the time run to concentration. To successfully resist it we must throttle steam and discharge electricity from human service" (p. 232). Now steam has undoubtedly been a great concentrator, but electricity, which is likely to take its place in the future, will to all appearance be as great a distributor. Mr. George is equally mistaken regarding the real effect of the other "currents of the time." "That concentration is the order of development," says he, "there can be no mistaking — the concentration of people in large cities, the concentration of handicrafts

in large factories, the concentration of transportation by railroad and steamship lines, and of agricultural operations in large fields. The most trivial businesses are being concentrated in the same way — errands are run and carpet sacks are carried by corporations" (p. 232). The concentration of people in cities is not the same thing as the concentration of the wealth of those cities in the hands of a few individuals. The centralisation of labour in cities has assisted the birth of the trade-union and the co-operative society, which are among the best agencies for diffusing wealth; and the growth of joint-stock companies is a strange proof of a tendency to greater concentration of wealth, for the joint-stock company is really an instrument of the small capital, enabling it by combination to compete successfully with the larger; and as to agriculture the real tendency, in this country at any rate, seems to be to lesser holdings. When we complain of the inequalities of our time — and I am far from desiring to underrate their extent or to palliate their mischievousness — we are apt to forget how largely the real and natural process of evolution is after all one of distribution, how much the most conspicuous of the inequalities have been incidental to a transition period, and due to causes of a temporary nature, and how many indications we possess that they are not unlikely to be corrected and moderated in the future course of social development. Some of the official returns made in connection with the income tax show that the immense increase of wealth of the last thirty years has been far from being reaped by any single class, but has been shared pretty evenly by all the classes included in those returns. We possess detailed accounts of the number of persons paying income tax in each grade of income under Sched-

ule D, from the year 1849, and if we compare the figures of that year with those of 1879, we shall obtain a fair index to the movement of distribution during those thirty years. Schedule D, it is true, includes only incomes derived from trades and professions, but these incomes may fairly enough be taken as sufficiently characteristic to afford a trustworthy indication of the general movement. While population increased in the thirty years by 22 per cent., the number of incomes liable to income tax increased by 161 per cent., and of these, the incomes that have increased in much the largest proportion are precisely those middling or lower middling incomes which I have before shown to have unfortunately declined since 1688. While the number of incomes over £1,000 a year has increased by 165 per cent., the number of incomes between £150 and £400 a year has increased by 256 per cent. These figures prove that the tendency of things, so far as it concerns the classes above the labourers, is not to further and exclusive concentration, but rather towards a wider and beneficial diffusion; and in regard to the labouring classes, it is admitted by all — even by the extremest social pessimists — that the upper and middle strata of them have participated in the progress of wealth equally with their neighbours. There remains only the lowest class of all, and their emancipation is the serious task of social reform in the immediate future; but that class is even now not increasing in the ratio of population; its misery comes from many causes, most of them moral and physical rather than economical; and though it presents difficult and trying problems, there is no reason for renouncing the hope which alone can sustain social reformers to success.

II. Mr. George's Explanation.

If there is any force in the foregoing observations it is plain that there is no such problem as Mr. George has undertaken to explain, and we are therefore exempted from all necessity of examining his explanation. But to Mr. George's own mind his explanation of the appearance that troubled him really constitutes the demonstration of it; at any rate, he offers no other. The question of the increase of poverty is of course a question of fact, that cannot be settled by a *priori* deduction alone; but Mr. George seems to think otherwise. He is too bent on proving *it* to be *necessary* to think of asking whether it is *actual*, and even a man of science like Mr. A. R. Wallace, while regretting that Mr. George had not chosen to build his proposals on ground of fact, declares that he adopted an equally legitimate method in deducing his results "from the admitted principles and data of political economy" ("Land Nationalisation," p. 19). Moreover, most of the social pessimism of the present time draws its chief support, exactly like Mr. George, from the supposed bearing of certain received economical doctrines, and our task would therefore be incomplete if we did not follow Mr. George on this "high *priori* road" on which he so boldly fares forth, and performs, as will presently be seen, many a remarkable feat.

Before beginning his explanation, he throws the problem itself into what he conceives to be a more suitable scientific form. "The cause," says he, "which produces poverty in the midst of advancing wealth is evidently the cause which exhibits itself in the tendency everywhere recognised of wages to a minimum. Let us therefore put our inquiry into this compact form:- Why, in spite of increase in productive power, do wages tend

to a minimum which will give but a bare living?" (p. 10). The problem, as thus restated, is clearly, be it observed, one of quantity, not of proportion. A bare living is not a relative share, but a definite amount, of produce. But the tendency in wages to such a minimum, which he asserts to be everywhere recognised, is really not recognised at all. In alleging that it is so, Mr. George evidently alludes to the doctrine of wages taught by Ricardo and his school, but what they recognised in wages was a tendency, not to a minimum that would give but a bare living, but to a minimum that would give a customary living, in other words, that would sustain the labourers in the standard of comfort customary among their own class. The economical minimum is not the absolute minimum of a bare living; it is, as Mr. George himself elsewhere puts it, "the lowest amount on which labourers will consent to live and reproduce,"—that is, not the lowest amount on which any individual labourer will do so, but the lowest amount which labouring people in general consider it necessary to earn before they will undertake the responsibility of marriage. If they were to get less than this, it was contended, they would refrain from marrying to an extent that would tell sufficiently on the supply of labour to force wages up again to their old level. This level was the minimum to which wages constantly tended, but then it was always higher than a bare living; it was determined by the standard of requirements current among the labouring class at the time; and it was recognised to be capable of rising if that standard rose. True, Ricardo and the economists of his generation entertained very poor hopes of any such rise, because the working classes of their time, being without the intelligence, the ideas of comfort, the higher

wants that are powerfully operative among the working classes of our day, were generally seen to "take out" their better wages when they chanced to get them in nothing but earlier marriages, which in the end brought their wages down again. We have happily now to do with a more aspiring and a less uniformly composed working class. It is perhaps more aspiring in some measure because it is less uniformly composed. It contains many ranks and inequalities and standards of social refinement and comfort, and the presence of these side by side develops a more active tendency upward, which, by supplying a stronger check than before on improvident marriages, will enable the labourers, class after class of them, to appropriate securely more and more of the common domain of advancing civilisation. We have had abundant experience of a rise in the standard of life, and a rise in the rate of wages, both remaining as permanent possessions of sections of the labouring class. But if Ricardo and his school had less faith than they reasonably might have had in the possibility of a permanent upward tendency in wages, they certainly never dreamt of believing in any permanent downward tendency. According to their doctrine the rate of wages moved up and down within certain limits, but always tended to come back to a particular figure — the amount necessary to give the labourer the living customary among his class. This figure was really no more a minimum than it was a maximum; wages were supposed to fall sometimes below it, as they were supposed to rise sometimes above it; and to speak of it as a minimum that would give but a bare living is completely to misrepresent its nature.

The assumption from which Mr. George starts is thus in no wise an admitted principle of political economy,

and would therefore not answer the test of legitimacy laid down by Mr. Wallace. It has no ground outside of Mr. George's own imagination. Economists would solve his problem, "why in spite of increased productive power wages tend to a minimum that will give but a bare living?" by simply denying his fact, and having done with it. But Mr. George persuades himself that they would answer it otherwise, and devotes the next section of his book to an elaborate confutation of the false answers he supposes they would return to it. They would either explain it, he thinks, by their theory of the wages fund, or they would explain it by their theory of population; and so before confiding to us his own explanation he considers it necessary to stop and clear these two venerable theories out of his way. I am not concerned to defend these theories; their truth would not make Mr. George's own view any the falser, nor their falsehood make it any the truer. One of them indeed was dead and buried before Mr. George attacked it, though I am bound to say it would never have fallen before the particular line of attack he directs against it. The wages fund doctrine, which played a considerable rôle both in its original form as taught by Senior, and in its subsequent form as modified by M'Culloch, was refuted by Mr. Thornton in 1869, was almost instantly abandoned by the candid mind of Mr. Mill, and is now rarely met with as a living economical doctrine. The wages fund is still regarded of course as having its limit in capital, and in the conditions which generate capital, but since these conditions include among other things the number and efficiency of the labourers, the amount of the wages fund is no longer represented as at any given moment a fixed and predetermined quantity susceptible

of no possible alteration to meet the exigencies of the labour market, and when once this characteristic was given up, the wages fund doctrine was seen to have degenerated into little more than a stately truism. The Malthusian theory of population is not in the same way discredited, but it likewise is now generally stated with some reserve. It has become well understood that the earlier economists assigned it too absolute and universal a validity, and that it is not, as they thought, a law for all ages, and especially and happily not a law for our own. It is true of an era of progressive population and diminishing return from agriculture, but for our day it has been robbed of its terrors by free trade and steam navigation, which have connected our markets with continents of virgin soil, and carried us virtually into an era of increasing return of indefinite duration. The population question was one of serious practical import for our fathers, and as they saw people marrying and giving in marriage, while every fresh bushel of food was extracted with increasing difficulty from an exhaustible soil, they looked with a reasonable dread to the future, and saw no way of hope except in the practice of a heroic continence. But we live in another time. We find population increasing and yet bread cheapening, simply because the locomotive which alarmed Mr. George by taking the tramp to California has brought back plenty to the rest of the world. It is due to the material progress he preaches against that we are the first generation who can afford to make light of the population question, and leave our remote posterity to deal with the peril when it shall actually arrive.

Mr. George, however, is not content with disputing these doctrines; he insists on replacing them with others

exactly opposite to them in purport, and for which he claims a like universal validity. He propounds a new population theory, and a new wages fund theory of his own. The more population abounds, the more will subsistence superabound, is his comfortable counter-proposition to Malthusianism. "I assert," says he, "that in any given state of civilisation a greater number of people can collectively be better provided for than a smaller. . . . I assert that the new mouths which an increasing population calls into existence, require no more food than the old ones, while the hands they bring with them can in the natural order of things produce more. I assert that, other things being equal, the greater the population, the greater the comfort which an equitable distribution of wealth would give to each individual" (p. 99). In a word, his teaching is that "other things being equal" over-population is a ridiculous impossibility. What may be all concealed under the reservation, "other things being equal," he does not enlighten us, but it avowedly contains at least one presupposition of decisive importance to the question, the presupposition of the unlimited productiveness of the soil. Mr. George denies the law of diminishing return. We shall presently find him, in his doctrine about rent, basing his whole book on the operation of this law. But here in his doctrine about population it suits him to deny it, and he does so on singularly fantastical grounds (p. 93). He denies it on the ground that "matter is eternal and force must forever continue to act," as if the indestructibility of matter was the same thing as its infinite productiveness. "As the water that we take from the ocean must again return to the ocean, so the food we take from the reservoirs of nature is, from the moment we take it, on its way back to those reservoirs. What

we draw from a limited extent of land may temporarily reduce the productiveness of that land, because the return may be to other land or may be divided between that land and other land, or perhaps all land; but this possibility lessens with increasing area, and ceases when the whole globe is considered. That the earth could maintain a thousand billions of people as easily as a thousand millions is a necessary deduction from the manifest truths that at least, as far as our agency is concerned, matter is eternal and force must for ever continue to act. . . . And from this it follows that the limit to the population of the globe can only be the limit of space. Now this limitation of space — this danger that the human race may increase beyond the possibility of finding elbow-room — is so far off as to have for us no more practical interest than the recurrence of the glacial period or the final extinguishment of the sun" (p. 94–5). If this passage means anything, it means that the race may go on multiplying as long as it finds room to stand on, and that even when that limit is reached it can only be squeezed to death and not starved. It can in no case apparently be starved. Subsistence cannot possibly run short, for the inherent powers of the soil are not permanently destructible. But he might as well argue that man must be omnipotent because he is immortal. The question is not one of the durability of the productive powers of the earth, it is one of their limited or unlimited productive capacity. Up to a certain point they may yield the same return at the same cost year after year *in sæcula sæculorum*, but will they yield more? Manifestly not. Every bushel they give after that is got at continuously increasing cost. Now of course wherever population increases so much, compared with the land at its dis-

posal, that this increasing cost must be incurred in order to find them food, the epoch of diminishing return in agriculture has arrived, and the peril of over-population is already present. Happily, as we have said, that time is not yet, but it will come long, long before the human race fails to find elbow-room in this planet.

Mr. George himself admits that in a country of inconsiderable extent, or in a small island, such as Pitcairn's Island, over-population is quite possible before elbow-room is near exhausted — (p. 74) — and in making the admission he virtually surrenders his case. He admits in detail what he denies in gross. For is not the soil of a small island or an inconsiderable country as eternal as the soil of a continent? The only difference is that it is not so extensive, and therefore comes to the epoch of diminishing return sooner. That is all. The reason why he makes an exception of such an island is because its inhabitants "are cut off from communication with the rest of the world, and consequently from the exchanges which are necessary to the improved modes of production resorted to as population becomes dense" (p. 74). But if density of population is such a sure improver of production as Mr. George represents it to be elsewhere, why should it fail here? And if it fail anywhere, how can he argue that it must succeed everywhere? Once he admits, as he does in this passage, that subsistence has a definite limit in the modes of production that happen to be known in any age and country, and that population has a definite limit for such age and country in the amount of subsistence which the known modes of production are capable of extracting from the soil, he really admits all that Malthusians generally contend for, and coming to curse, he has really blessed them altogether. The limit of sub-

sistence which he here recognises — the limit imposed by the state of the arts — is far within the limit which he has just been denying, the natural limit to the inherent fertility of the soil, on which economists base their law of diminishing return. The former point is far sooner reached than the latter. Men will starve because they don't know how to make the best use of nature long before they will starve because nature is used up; and it is exactly that earlier limit on which Malthusians lay stress.

But except for this inconsistent admission in the case of a petty isolated island, Mr. George persistently refuses to recognise any kind of limit to subsistence either in the productive capacity of the soil or in the state of the arts. He seems to fancy that land will go on yielding larger and larger harvests *ad infinitum* to accommodate an increasing population, and that even if it failed to do so, new inventions or improved processes of production would be constantly discovered when they were needed, and keep the supply of food always equal to the demand. With these crude assumptions in his head, he arrives very easily at his own peculiar theory, which is, that subsistence tends to increase faster than population, because the growth of population itself affords the means of such economies and organisation of labour as multiply immensely the productive capacity of each individual labourer. A hundred labourers, he is fond of arguing, will produce much more than a hundred times the amount that one will, and it is therefore clear folly to think of population as capable of encroaching on subsistence. On the contrary, it seems almost fitter to speak of it as a means of positively economising subsistence. Mr. George's mistake arises from ignoring the fact that subsistence depends on the productive capac-

ity of land as well as on the productive capacity of labour, and the productive capacity of land is not indefinitely progressive.

Mr. George's new wages fund theory is based on a precisely analogous misconception of the real conditions of the case, and is just as much in the air as his population theory. "Wages," he says, "cannot be diminished by the increase of labourers, but on the contrary, as the efficiency of labour manifestly increases with the number of labourers, the more labourers, other things being equal, the higher wages should be" (p. 62). Just as he has already argued that food can never run short before an advancing population, because the new hands can produce much more than the new mouths can consume, as if the hands span it out of their own finger nails, so he now argues that wages can never decline for want of capital to employ labourers, because the capital that employs them is made by the labourers themselves. They are paid, he declares, not out of the capital of their employers, but out of the product of their own labour. Mr. F. A. Walker, the eminent American economist, had already taught a similar doctrine, but with the reservation that while wages were really paid out of the produce of the labour they remunerated, they were usually advanced out of the employer's capital. But Mr. George throws aside this reservation, and declares boldly that wages are neither paid nor advanced out of capital, and that if any advance is made in the transaction at all, it is the labourer who makes it to the employer, not the employer to the labourer. "In performing his labour, he (the labourer) is advancing in exchange; when he gets his wages the exchange is completed. During the time he is earning the wages he is advancing capital to his employer, but

at no time, unless wages are paid before work is done, is the employer advancing capital to him" (p. 49).

In this contention Mr. George relies much on the analogy of the "self employing" labour of primitive society. Where men live by gathering eggs, he tells us, the eggs they gather are their wages. No doubt; but in our complicated civilisation we don't live by gathering eggs from day to day, but by sowing the seed in spring, which is to yield us food only in harvest — by preparing work for the market which may take weeks, months, even years before it is marketable. The energetic Sir John Sinclair is said to have once danced at a ball in the evening dressed in a suit the wool of which was still growing on the sheep's back in the morn. ing, but rapidity like that is naturally foreign to ordinary commerce. The successive operations of clipping, fulling, teasing, spinning, dying, weaving, cutting, sewing occupy considerable time. So with other things. Houses, ships, railways are not built in a day, or by a single workman. The product of a single workman's work for a day at any of these things has no value apart from the product of the other workmen's work, nor has the work of them all any value unless the work is, or is to be, completed. The wages paid during the period of construction therefore cannot possibly have come out of the work for which they were paid, but must have been advanced otherwise. Who advances them? Clearly not the labourer himself, for he receives them. And yet that is what Mr. George unhesitatingly asserts, and his argument is as courageous as it is ingenious. He does not shrink from applying it to the extremest case you like to suggest — the Great Eastern, the Gothard Tunnel, the Suez Canal; even in these cases the labourers, who spent months and years in

doing the work, were paid out of the work itself, out of the Great Eastern, out of the Gothard Tunnel, out of the Suez Canal. "For," says Mr. George, "a work that is incomplete is not valueless, it is not unexchangeable; money may be raised on it by mortgage or otherwise, and as this money is raised on the product of the labourer's work, the wages it is employed to pay are really paid out of that product." But this only shifts the question a little, it does not answer it. Where does this lent money come from? Certainly not from the work it is lent on. Perhaps not, Mr. George will rejoin, again shifting his ground, but it comes from the product of the contemporaneous work of other labourers. "It is not necessary to the production of things that cannot be used as subsistence or cannot be immediately utilised that there should have been a previous production of the wealth required for the maintenance of the labourers while the production is going on. It is only necessary that there should be, somewhere within the circle of exchange, a contemporaneous production of subsistence for the labourers, and a willingness to exchange this subsistence for the thing on which the labour is being bestowed" (p. 51). But this is only passing round the dilemma. For this contemporaneous production has itself the same difficulty to face; it has to sustain its labourers during the time taken to complete their work; and it can only do so, according to Mr. George's explanation, by raising the means through a mortgage on the unfinished work. It borrows to pay its own wages, but is apparently able to lend to pay other people's. Mr. George has a happy method of carrying on the affairs of society by mutual accommodation. Peter is a shoemaker who wants money to buy leather to make shoes and food to maintain him

till the shoes are made. Paul is a carpenter who is in a like case, and wants money to buy food and timber. Peter borrows the money he needs from Paul on mortgage, and then Paul in turn borrows what he needs from Peter, on the same terms. Utopia is a pleasanter world than ours, and an I O U probably goes a long way in it; but here on this hard earth Peter would certainly make no shoes nor Paul any chairs, unless he had either himself saved enough to purchase the materials, or found a neighbour who had done so and was ready to make him an advance. Except for this neighbour he could not work at all, and could not therefore "create any wages," and the amount of work he got and wages he earned would manifestly depend greatly on the amount of capital this stranger possessed and was disposed to invest in such an enterprise.

It is true that the wages of labour will be guided in amount by the quantity of the product, but they are not on that account actually paid out of the product. And it is true that the labourer gives value for his wages — certain he would not otherwise be employed — but that value is not usually marketable until some time, in many cases years, after the wages have been enjoyed, and therefore cannot have been the source whence these wages came. The wages were paid out of the saved results of previous labour, that is out of capital, and Mr. George has absolutely no conception of the amount of capital that is necessary to carry on the work of industry. He says we live from hand to mouth, and so in a sense we do. Our capital is being constantly consumed and constantly reproduced again, and economists are fond of showing, from the speedy recovery of a civilised state after a devastating war, how short a time it would really take to replace it en-

tirely. But until it is replaced every inhabitant undergoes considerable privations, which simply means that the rate of wages has fallen for want of it. There are some trades, like the baker's, where the product is actually sold before the wages are paid; and there are many, like the whaler's mentioned by Mr. George, where the labourers can afford to wait long terms for part at least of their remuneration (no great sign, by the way, of the minimum of a bare living), but even in these much capital must be set aside before a single hand is engaged. The whalers, for example, must be furnished with a ship to start with, and be provisioned for the voyage; and if these requisites are not forthcoming they must go without work and wages altogether, or take work at inferior terms in a market glutted by their own arrival in it. Mr. George speaks lightly of the labourers who excavated the Suez Canal advancing value to the company who employed them, and yet before a single pick or spade was stuck into the sand of the Isthmus the company had laid out, in preliminary expenses and machinery, as much as six millions sterling, more than a third of the whole cost of the Canal. They had then to pay other five or six millions in wages before the work fetched a single fee; and yet Mr. George will have us believe that those five or six millions actually came out of the profits, merely because the projectors hoped and believed they might eventually come out of them. Labourers give an equivalent to the capitalists for their wages, but their wages are really paid out of the capital which their employers have saved for the purpose of purchasing that equivalent. I may have bought a cow in the hope of recouping myself by selling her milk, but I did not therefore pay her price out of the milk money — for

nobody would have sold her to me if he had to wait for that, I bought her out of money I had previously saved, and from the same source exactly, and no other, do capitalists buy labour.

But, objects Mr. George, that cannot be; wages cannot be paid out of capital, because they are often lowest when, as shown by the low rate of interest, capital is most abundant. But Mr. George here confounds existent capital with employed capital. It is only the capital actually employed that tells on wages; the low rate of interest merely shows that there has been an increase in unemployed capital, and since that is generally a correlative of a diminution of employed capital, it is but natural that low interest should be attended by low wages. Low wages are a consequence of unemployed labour, unemployed labour a consequence of unemployed capital, and unemployed capital a consequence of unfavourable industrial conditions which labour, either with capital or without it, cannot evade or reverse.

So far then of Mr. George's views on population and the wages fund, for which much value, as well as originality, has been claimed. The chapters in which he states them are certainly among the most impressive and characteristic in his book. Nowhere else does he display more strikingly his remarkable acuteness, fertility, and literary power, and nowhere else are these high qualities employed more fruitlessly from sheer want of grasp of the elements of the problems he discusses. These chapters are after all, however, something of a digression from the main business of the book, and they have perhaps detained us too long from Mr. George's own explanation of the supposed growth of poverty.

His explanation is this: "The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living is that with increase in productive power, rent tends to even greater increase" (p. 199). "Rent swallows up the whole gain, and pauperism accompanies progress" (p. 158). "The magic of property," it seems, has an unsuspected malignancy, but, in the present case, its spell is really exercised only over Mr. George's own vision. For who, with his eyes open, would believe for a moment what Mr. George so gravely asserts, that of the whole gain won by our multiplied productive power, none whatever has gone to the great bankers, and brewers, and cotton spinners, and ironmasters, and corn factors, and shipbuilders, and stockbrokers, and railway contractors; that our Rothschilds, and Brasseys, and Barings, and Bairds, the great plutocrats of time, the possessors of the largest fortunes in the country, the very men and classes who have been most conspicuously enriched through the material progress of the nation, have all the while been conducting a hard struggle against a fatal tendency in their incomes to sink to a bare living, and had to feed, exactly like the manual labourers, from the crumbs that fall from the landowners' table. The assertion is too violent and preposterous to merit serious refutation. Everybody knows that the greatest part of the wealth of modern society is not concentrated in the hands of the landlords at all, that it has not accrued from rent, and that it would not be a farthing the less though private property in land were abolished to-morrow.

But violent and preposterous as Mr. George's conclusion is, it has not been arrived at without the exercise of much perverse ingenuity. Having been brought

by his examination of the wages fund and population theories to the conviction that the key to his riddle was not to be discovered in the conditions that regulated production, he concludes that it must, therefore, be sought in the conditions that regulate distribution, His problem is thus one in the distribution of wealth. and it must be explained, if it is to be explained at all, by the laws of distribution. To investigate these laws, therefore, becomes now his object, and the first step he takes is a truly amazing one. At the very outset he throws the most important class of participators in the distribution — the class that appropriates the largest share — out of court altogether, and he proceeds to settle the whole question as if they never got a penny and as if the entire spoil were divided among their neighbours. People who live on profits, it seems, have no *locus standi* in a question of distribution, and the case must be considered as if the parties exclusively concerned were the people who live on wages, the people who live on interest, and the people who live on rent. "With profits," he says, "this inquiry has manifestly nothing to do. We want to find what it is that determines the division of their joint produce between land, labour, and capital, and profits is not a term that refers exclusively to any one of these three divisions. Of the three parts into which profits are divided by political economists, namely compensation for risk, wages of superintendence, and returns for the use of capital, the latter falls under the term interest, which includes all the returns for the use of capital and excludes everything else; wages of superintendence falls under the term wages, which includes all returns for human exertions and excludes everything else; and compensation for risk has no place

whatever, as risk is eliminated when all the transactions of a community are taken together" (pp. 113–4).

Now we have to do here with no mere difference of terminology. Profits may be employers' wages, if you like to call them so; but it is a fatal confusion to suppose that, because you have called them employers' wages, you are, therefore, entitled to treat them as if they were governed by the same laws and conditions as labourers' wages. The truth is that they are governed by opposite conditions, and that the pith of the labour question is just the conflict between these two kinds of wages for the better share in the distribution. The battle of labour is not against the employer receiving fair interest on his capital in proportion to its quantity, but against the amount of additional profit which the employer claims as wages of superintendence, and which he also rates in proportion to capital invested instead of rating it in proportion to his own trouble or efficiency. One of the chief hopes of the workman resides in the possibility of breaking down this erroneous criterion of fair remuneration for superintendence, and so getting the employers to content themselves with smaller profits than they have been in the habit of considering indispensable. Profits and wages have thus opposite and conflicting interests in the distribution, but Mr. George, having once disguised the one in the garb of the other, is imposed on by the disguise himself, and treats them in his subsequent speculations as if they were the same thing, or at any rate — what in the present connection is equally pernicious in its effects — as if their respective shares in the distribution were determined by precisely the same conditions. The result is, as might be expected, a series of singular *contretemps* springing from mistaken identity, like those we are familiar with on

the comic stage. The manufacturing millionnaire appears before us as the victim of the same harsh destiny as the penniless crossing-sweeper, and the banker of Lombard Street is overshadowed by the same blighting poverty as the lumper of Wapping. Proudhon, in a powerful passage, describes pauperism as invading modern society at both extremes; it invaded the poor in the positive form of natural hunger; it invaded the rich in the unnatural but more devouring form of insatiable voracity. The burden of Mr. George's prophetic vision contains no such refinements. He sees a huge wedge driven through the middle of society; and on the underside of that enchanted wedge he sees the merchant princes of the world eating the bread of poverty with their lowest dependents. Mr. George's classification of profits under wages therefore involves much more than a mere change of nomenclature, for it has led him to pass off this absurd vision as a literal description of things as they are. By that classification he has really put out of his own sight the most important factor in the settlement of the question he is discussing, and so he begins playing Hamlet by leaving the part of Hamlet out.

Having simplified matters by throwing profits out of the cast, Mr. George's next step is to assign the leading rôle to rent. In the whole drama of the modern distribution of wealth, no part is more striking or more often misunderstood than the part played by rent. Wages never cease to cost much and to be worth little, but rent seems to have the property of going on growing while the landlords themselves sleep or play. This fact has impressed Mr. George so profoundly that, losing sight of things in their true connection and proportions, he declares that the growth of rent is the key to the

whole situation, and that neither wages nor any other kind of income, not derived from land, can ever draw any advantage from the increase of prosperity, because rent always steps in before them and runs off with the spoil. He professes to found this conclusion on Ricardo's theory of rent, which he accepts, not only as being absolutely true, but as being too self-evident to need discussion. Indeed, he seems disposed, like some others, to have his fling at Mill for calling it the *pons asinorum* of political economy; but we shall presently discover various grounds for suspecting that he has not crossed the bridge successfully himself, and that here, as elsewhere, he has been led seriously astray by looking at things through the mist of doctrines he has only imperfectly mastered. Anyhow, he offers his theory as a deduction from Ricardo's law of rent, and this deduction claims particular attention because it is the corner-stone of his speculations, and constitutes what he would consider his most original and important contribution to economical science. He says that the law of rent itself "has ever since the time of Ricardo . . . been clearly apprehended and fully recognised. But not so its corollaries. Plain as they are, the accepted doctrine of wages . . . has hitherto prevented their recognition. Yet, is it not as plain as the simplest geometrical demonstration that the corollary of the law of rent is the law of wages, when the division of the produce is simply between rent and wages; or the law of wages and interest together, when the division is into rent, wages, and interest?" (p. 120). It is really plainer. It is a mere truism. In any simple division, if you know how much one of the factors get, you know how much is left for the others, and if you like to dignify your conclusion by the name of corollary, you are free to do so.

But the real point is this, whether the share obtained by rent is fixed irrespectively of the share obtained by wages and interest, or whether, on the contrary, it does not presuppose the previous determination of the latter. There is no doubt, at any rate, as to how Ricardo — Mr. George's own authority — regarded the matter. According to his celebrated theory, wages and interest are satisfied first, and then rent is just what is over. Rent is simply surplus profit. In hiring land, the farmer hires a productive machine, and under the influence of competition gives for the use of that productive machine for a year, the whole amount of its annual produce which remains as a surplus after paying the wages of his labourers, and allowing interest on his capital, and what he considers a fair profit for his own work of superintendence. A certain current rate of wages and a certain current rate of profit are presupposed, and after these demands are met, then if the land has yielded anything more, that surplus is what is paid as rent. Ricardo always presumes that land that cannot produce enough to meet these demands will not be cultivated at all, and that the poorest land actually under cultivation is land that meets them and does no more; in other words, that leaves nothing over for rent. Let us take Ricardo's law as it is stated by Mr. George himself (p. 118): "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." The standard by which, according to this law, the amount of rent is supposed to be determined, is the produce of the least productive land in use. Now, what is the least productive land in use? It is land that produces just enough to pay the wages the labourers upon it are content to work for, and the profits the farmer of

it is content to farm for. How that rate of wages and that rate of profits are fixed, is no matter here; but one thing is clear — and it is enough for our present purpose — that they cannot be determined, as Mr. George represents them as being, by a law of rent which presumes and is conditioned by their operation. Ricardo's law virtually explains rent in terms of wages and profits, and it would therefore be the height of absurdity to re-explain wages and profits in terms of rent. And if that is so, the circumstance which excites Mr. George's surprise, that economists have always so clearly apprehended the law of rent itself, and yet failed so completely to recognize the corollaries which he plumes himself on being the first to deduce from it, admits of a very simple explanation: the economists understood the law they expounded, and were better reasoners than to employ it as a demonstration of its own postulates.

This will become still plainer, if we look more closely at the fact which has struck Mr. George so much — the constant rise of rent in modern society. He attributes that rise to many causes; in fact, there are few things that will not, in his opinion, raise rent. Progress of population will do so; but if population is stationary, it will be done all the same by progress in the arts; the spread of education will do it; retrenchment of public expenditure will do it; extending the margin of cultivation will do it; and so will artificial contraction of that margin by speculation. In short, he is so haunted by the idea, that he seems to believe that so long as rent is suffered to survive at all, whatever we do will only conduce to its increase. Every step of progress we take extends its evil reign, and if progress were to reach perfection, rent would drive wages and interest completely off the field and appropriate "the whole

produce" (p. 179). These fears are not sober, but they could never have risen had Mr. George first mastered the theory of rent he founds them on. For rent, being the price paid by producers for the use of a productive machine, cannot rise unless the price of the product rises first (or its quantity, if so be that it does not increase so much as to reduce its price), for unless the price of agricultural produce rises, the farmer cannot afford to pay a higher rent for the land than he paid before. No part of Ricardo's theory is more elementary or more unchallenged than this, that the rent of land constitutes no part of the price of bread, and that high rent is not the cause of dear bread, but dear bread the cause of high rent. Rent cannot rise further or faster than the price of bread (or meat, of course) will allow it, and the price of bread is beyond the landowner's control. He cannot raise it, but once it rises, he can easily raise rent in a corresponding degree. If a rise of rent depends on a rise in the price of bread, what does a rise in the price of bread depend on? On two things which Mr. George ignores or misunderstands, the progress of population and the diminishing return in agricultural production. The growth of population increases the demand for food so much as to raise its price, and renders it profitable to resort to more difficult soils or more expensive methods for additional supplies. The price will then remain at the figure fixed by the cost of the costliest portion that is brought to market.

Now Mr. George laughs at the idea of increase of population causing any difficulty about the supply of food — population, which he is never tired of telling us, is the very thing most wanted to multiply that supply, and possesses a power of multiplying it in even a

progressive ratio to its numbers. "The labour of 100 men," he says, "other things being equal, will produce much more than one hundred times as much as the labour of one man" (p. 163). And he laughs in the same way at the idea of a diminishing return in agriculture, as if, says he, matter were not eternal, and as if an increasing population did not of itself increase the productive capacity of the land through increasing the productive capacity of the labour upon it. These two misunderstandings lie at the bottom of all Mr. George's vagaries about rent, and they are perhaps natural to a speculator, resident in a rich new colony, which, as he describes it himself, "with greater natural resources than France, has not yet a million people." No doubt in a country at that particular stage of its historical development, increase of population may involve an increase, and even a more than proportional increase, of food as well as of other commodities; but that particular stage is a temporary and fleeting one, and the world in general is very differently situated from the State of California four-and-twenty years ago. Where there is plenty of good land, the increase of population occasions no increase in the cost of producing food, because there is no need to resort to poorer land for the purpose; and while food is got as cheaply as before, other things are got much more easily and abundantly in consequence of the economies of labour and the many mutual services which result from the increased numbers of the community. But that state of matters only continues so long as there remains no occasion to resort to poorer soils for the production of food, and that time is long past in most countries of the world. Mr. George no doubt contends that in all countries it is just the same as in California, because even though it

may have become more difficult in some places to produce food, it has become everywhere much easier to produce other commodities, and (so he argues) the production of any kind of commodity is practically equivalent of the production of food, for it can always be exchanged for food. So it can, if food is there to exchange for it; but the very question is whether food is there, or is there in the same relative quantity. If I say it is more difficult to get food, it is no answer to tell me that it is much easier to get other things. And because other things may be multiplied indefinitely at the same cost, that is no reason for denying that food can only be multiplied indefinitely at increasing cost. Yet Mr. George reasons as if it were. This confusion is repeated again and again in the course of his book, and has evidently had much influence on his whole speculations. He describes the advantages which the colonist derives from the arrival of other settlers. "His land yields no more wheat or potatoes than before, but it does yield far more of all the necessaries and comforts of life. His labour upon it will bring no heavier crops, and we will suppose no more valuable crops, but it will bring far more of all the other things for which men work" (p. 168). That is true, but it is not to the purpose. The new settler required a market, and population brought it; but although population up to a certain point is beneficial, you cannot for that reason declare that beyond that point it cannot possibly become embarrassing. For on Mr. George's own hypothesis the ground yields no more wheat and potatoes than before, and the limit to convenient population is prescribed by the amount of food the ground yields, and not by the quantity of other commodities which skilled labour can produce. If population were to exceed what that stock

of food would adequately serve, then new comers would find little comfort in Mr. George's rhetorical commonplace that they had two hands and only one mouth. His simple confidence, that they never can be at a loss, because they can get food by exchange as well as by direct production, is a mere dream, because he forgets that the people they are to exchange with are in the same case as themselves. They can only give food in exchange for other things so long as they raise more food than serves their own numbers, and when their numbers increase beyond that point, they will have no food to sell. The limit to subsistence is not the productive capacity of labour, but the productive capacity of land.

Mr. George's argument rests on another very curious fallacy. He builds his whole theory of distribution on the fact of the extension of the margin of cultivation from better to worse soils, but in the same breath he denies the existence of the very conditions that alone make that fact possible. Nobody would resort to worse land unless the better were unable to furnish indefinite supplies at the old cost, *i.e.*, unless the principle of diminishing return prevailed in agriculture. Nor would any one resort to worse land until it paid him to do so, *i.e.*, until the produce of this worse land became, through a rise in its price or through improvements in the art of agriculture, equal in net value to the produce previously yielded by the worst land then in cultivation. Mr. George denies the principle of diminishing return. He denies "that the recourse to lower points of production involves a smaller aggregate of produce in proportion to the labour expended." He denies this, "even where there is no advance in the arts and the recourse to lower points of production is clearly the result of the increased demand of an increased population. For,"

says he, "increased population of itself, and without any advance in the arts, implies an increase in the productive power of labour" (p. 163). But the question is, does it imply any increase in the productive power of the soil? Mr. George contends that it does, but only on the superior soils, not on the inferior. Increasing population, in his opinion, renders all labour so much more effective that "the gain in the superior qualities of land will more than compensate for the diminished production on the land last brought in" (p. 165). Now to all this there is one simple answer: why then resort to inferior soils at all? If crowding on the superior soils can make those soils indefinitely productive, why go farther and fare worse? There can be no reason for having recourse to worse land, but that the better has ceased to yield enough at the old cost. Organisation and economy of labour are excellent things, but they cannot press from the udder more milk than it contains, or rear on the meadow more sheep than it will carry, or grow on a limited area available for cultivation more than a definite store of food.

But while Mr. George denies that there is anything to force people to poorer soils, he supposes at the same time that they go freely in order to get a less profit. He holds the amount of return obtained from cultivating the least productive land in use to be the lowest rate of return for which anybody will invest his capital, and therefore to serve in some sense as a standard rate of remuneration for all applications of capital and labour. Nobody, he declares, will work for less than he can make on land that pays no rent. But will any one work such land for less than he can make in other industries? That is what Mr. George supposes to be done every day, although he laughs at the idea of there being any neces-

sity for doing it. It need not be said that men are not such lunatics. They are really forced to go to worse soils because the better cannot increase their yield indefinitely at the same cost, and they never go till they possess a reasonable expectation of making as much out of the worse land as they did before out of the better.

From all these remarkable misconceptions of the working of rent, and of the theory of Ricardo on the subject, which he professes to follow, he draws his first law of distribution, which is nevertheless, so far as it goes, undoubtedly correct: "Rent depends on the margin of cultivation, rising as it falls and falling as it rises" (p. 155).

To find the law of rent, he has told us, is to find at the same time its correlatives, the laws of wages and interest, and these laws accordingly he states thus: "Wages depend on the margin of cultivation, falling as it falls and rising as it rises. Interest (its ratio with wages being fixed by the net power of increase which attaches to capital) depends on the margin of cultivation, falling as it falls and rising as it rises" (p. 156). He is not content, however, with merely inferring these two laws as corollaries from the law of rent, but thinks it necessary to construct for wages and interest a certain independent connection with the movement of the margin of cultivation. To do so, he first reduces interest, as he had already reduced profits, to a form of wages; he then erects all the different forms of wages (*i.e.*, every form of income except rent) into a single hierarchical system, in which there are many different rates of remuneration, occasioned by the necessity of compensating different risks and exertions, but all moving up and down concurrently with a certain general rate of wages at the bottom of the scale; and he

finally connects this general or standard rate of wages with the margin of cultivation, by saying that no one would work at anything else for less than he can make on land open to him free of rent, and that therefore the income made by cultivating such land must be the lowest going.

Mr. George's view of the nature of interest is peculiar. He considers it to be the natural increase of capital, the fruit of inherent reproductive powers, like the increase of a calf into a cow, or of a hen into a hen and chickens; and because interest comes in this way freely from nature, he believes the private appropriation of it to be thoroughly just, although he presently gives precisely the same reason for declaring rent to be theft. It is unnecessary to discuss either the truth or the consistency of this doctrine here, and I refer to it now merely to explain that although Mr. George thus justifies interest as being the price of a natural force, he introduces it into his theory of the origin of poverty, as the price of human labour. "The primary division of wealth," he says, "is dual, not tripartite. Capital is but a form of labour, and its distinction from labour is in reality but a subdivision, just as the division of labour into skilled and unskilled would be. In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labour, and sought the law which divides the produce between rent and wages; that is to say between the possessors of the two factors, natural substance and powers and human exertion — which two factors, by their union, produce all wealth" (p. 144). The difference between interest and wages is but as the difference between the wages of skilled labour and the wages of unskilled; the wages of skilled labour is only the wages

of unskilled, *plus* some consideration for the skill, or for the time spent in training, or for drawbacks of various kinds, and the wages of unskilled labour is fixed by the amount that can be made on land that pays no rent. Profits, salaries, stipends, fees are, in the same way as interest, declared to be modes of wages. The £50,000 a year of the merchant prince, it seems, is just the £50 of the day-labourer, with £49,950 added to compensate him for the additional perils or drawbacks or discomforts of his life. All incomes, except the landowner's, row in the same boat, and the day-labourer's sets the stroke. When the margin of cultivation descends, he is the first to suffer, and then all the rest suffer with him. If he loses £10 a year, they successively lose £10 too; the doctor or bank-agent will have £490, instead of £500; the railway chairman, £4,990, instead of £5,000; the merchant prince £49,990, instead of £50,000; and their loss is the landlord's gain. Here then we see the whole mystery of iniquity as Mr. George professes to unravel it. "The wealth produced in every community is divided into two parts by what may be termed the rent line, which is fixed by the margin of cultivation, or the return which labour and capital could obtain from such natural opportunities as are free to them without payment of rent. From the part of produce below this line, wages and interest must be paid. All that is above goes to the owners of land" (p. 121).

Mr. George here confounds the margin of cultivation with the margin of appropriation. When economists speak of an extension of the margin of cultivation, they mean a resort to less productive land, and that is always accompanied by a rise of rent, but an extension of the margin of appropriation may be a resort to more productive land, and may occasion a fall of rent, as has

been done in Europe to-day through appropriation in America. But what in reality he builds his argument on is neither the movement of the margin of cultivation, nor the movement of the margin of appropriation, but simply the existence of abundance of unappropriated land. Where that exists, rent will, of course, be low, and wages will be high, for nobody will give much for land when he can get plenty for nothing at a little distance off, and nobody will work at anything else for less than he can make on land that he may have for nothing. For such land supplies labourers with an alternative. It is not the best of alternatives, for it needs capital before one can make use of it, and it takes time before any return is made from it. A diversity of national industries, for example, is better, and raises wages more effectively. Agricultural wages are higher in the manufacturing counties of England than in the purely agricultural; and they are higher in the manufacturing Eastern States of Mr. George's own country than in the purely agricultural States of the West, which possess the largest amount of unappropriated land. The reason of this is two-fold: other industries increase the competition for labour generally, and create, at the same time, a better market for farm produce. Unoccupied land would act — though less effectually — in the same way as an alternative; but few countries are fortunate enough to possess much of it, and as Mr. George does not propose to interfere with the occupation of land, but only to tax the occupiers, he has no scheme for showing how countries that have it not are to get it. It is easy, of course, to call it from the vasty deep. "Put to any one capable of thought," says Mr. George, "this question: 'Suppose there should arise from the English Channel or the German Ocean

a Noman's land on which common labour to an unlimited amount should be able to make ten shillings a day, and which would remain unappropriated and of free access like the commons which once comprised so large a part of English soil. What would be the effect upon wages in England?' He would at once tell you that common wages throughout England must soon increase to ten shillings a day" (p. 207). Perhaps so, but a little more thought would teach him that "a Noman's land on which common labour to an *unlimited* amount should be able to make ten shillings a day," must be itself unlimited in extent, and could not be accommodated in the English Channel. Apart from preternatural conditions it could not afford remunerative employment to more than a definite number of occupants and cultivators, and when it came to be entirely occupied, England would stand exactly as it does at present. If the millennium of the working class is to depend on the discovery of a Noman's land of infinite expansibility, it must be indefinitely postponed.

But supposing such an alternative existed and did influence the amount employers pay their workmen, how is it to influence in the same direction the amount they reserve to themselves? It is true, as a matter of fact, that wages and interest generally rise and fall together, for the simple reason that they are generally subject to the same influences. When capital is busily employed, so is necessarily labour, and then both wages and interest are high; when capital is largely unemployed, so is naturally labour also, and then both wages and interest are low. But an influence like that which is now adduced by Mr. George does not act on labourer and employer alike. It supplies the labourer with an alternative which strengthens his hands in his battle for

wages with employers. Does it then at the same time strengthen the employer in his battle with the labourer? Does it first raise wages at the expense of profits, and then raise profits at the expense of wages? It clearly cannot. To argue as if the existence of alternative work which benefits the labourer, must benefit the employer in the same degree, and as if the want of it must injure the employer because it injures the labourer, is simply to misunderstand the very elements of the case. One might as well argue that because the heights of Alma were a decided strategical advantage to the Russians, who were posted on them, they were therefore an equal advantage to the Allies, who had to scale them.

Laws of distribution, which are founded on a series of such arbitrary absurdities as those which I have successively exposed, are manifestly incapable of throwing any rational light on the causes of poverty, or giving any practical guidance to its amelioration. But, absurd as they may be, they are at least propounded with considerable parade, and we are therefore quite unprepared for the strange turn Mr. George next chooses to take. It will be remembered that the only reason why he undertook to search for these laws at all was, that by means of them he might explain why wages tended to sink to a minimum that would give but a bare living, but now that he has discovered those laws, he declines to apply them to the solution of this problem. He will not draw the very conclusion he has laid down all his apparatus to establish. He will not solve the problem he has promised us to solve; in fact, he tells us he never meant to solve it, he never thought or said wages tended to sink to a minimum that would give a bare living, he never said they tended to sink at all; all he meant to assert was that if they increased, they

did not increase so fast as the national wealth generally. He used "the word wages not in the sense of a quantity, but in the sense of a proportion" (p. 154). He will not therefore, after all, show us why the poor are getting poorer; but he will read for us, if we like, another riddle, why they are not growing rich so fast as some of their neighbours. In the name of the patient reader, I may be permitted to lodge a humble but firm protest against this eccentric and sudden change of front. Mr. George ought really to have decided what problem he was to write about before he began to write at all, and we may therefore for the present dismiss both his problem and his explanation till he makes up his mind.

III. Mr. George's Remedy.

After our experience of his problem and his explanation, we cannot indulge expectations of finding any serious or genuine worth in the practical remedy Mr. George has to prescribe, and we hear, without a thought of incongruity, the lofty terms in which, like other medicines we know of, it is advertised to the world by its inventor as a panacea for every disease society is heir to. "What I propose," he says, "as the simple yet sovereign remedy which will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crimes, elevate morals and taste and intelligence, purify government, and carry civilisation to yet nobler heights, is — to appropriate rent by taxation" (p. 288). And the direction for applying the remedy is equally simple: it is to "abolish all taxation save that upon land values" (*ib.*). This remedy is currently described as the na-

tionalisation of land; but nationalisation of land is a phrase which stands for several very different and even conflicting ideas. With the usual fatality of revolutionary parties, the English land nationalisers are already broken into three separate organisations, and represent at least three mutually incompatible schemes of opinion. There is first the socialist idea of abolishing both individual ownership and individual occupation of land, and cultivating the soil of the country by means of productive associations or rural communes. Then there is the exactly opposite principle of Mr. A. R. Wallace and his friends, who are so much in love with both individual ownership and individual occupation that their whole aim is to compel us all by law to become occupying owners of land, whether we have any mind to be so or no. And, finally, we have the scheme of Mr. George, which must be carefully distinguished from the others, because he would destroy individual ownership but leave individual occupation perfectly intact. His non-interference with individual occupation is remarkable, because, as we have seen, he declares the cause of poverty to be the exclusion of unemployed labour from the opportunity of cultivating land, and because that exclusion is chiefly due to the prior occupation of the land by earlier settlers. Mr. George, however, thinks he can provide a plentiful supply of unoccupied land, at a nominal price, for an indefinite number of new comers without disturbing any prior occupant. He would do it by merely abolishing the private owner and asking the occupant to pay his rent to the State instead of to a landlord, and he explains to us how it is that this simple expedient is to effect the purpose he desires. "The selling price of land would fall; land speculation would receive its death-blow; land monopolisation

would no longer pay. Millions and millions of acres, from which settlers are now shut out by high prices, would be abandoned by their present owners, or sold to settlers upon nominal terms. And this not merely on the frontiers, but within what are now considered profitable districts. . . . And even in densely populated England would such a policy throw open to cultivation many hundreds of thousands of acres now held as private parks, deer preserves, and shooting grounds. For this simple device of placing all taxes on the value of land would be in effect putting up the land at auction to whoever would pay the highest rent to the State. The demand for land fixes its value, and hence if taxes were placed so as to very nearly consume that value, the man who wished to hold land without using it would have to pay very nearly what it would be worth to any one who wanted to use it" (p. 309).

Putting up land to auction will not secure cheap or nominally rented farms to an indefinite number of new comers, unless there is an indefinite supply of land to divide into farms, but in the present world that is not so; and when the existing stock of agricultural land is exhausted, and every man has his farm, but there is no more for any new comer, what is Mr. George's remedy then? Abolition of property in land will of course abolish all trading in such property; but trading in landed property does not restrict its occupation. The land speculator, while he holds the land, of course keeps out another competitor from the ownership, but he keeps nobody from its occupation and cultivation. He is surely as ready as anybody else to make money, if money is to be made, by letting it, even by putting it up to auction, if Mr. George prefers that mode of letting. The transfer of the power of letting to the

State will not secure a tenant any faster. And as to the private parks, deer forests, and shootings of England, Mr. George forgets that they are, most of them, at present rented, and not, as he seems to fancy, owned, by their occupants, and that it would not make a straw of difference to them whether they paid their rents to the Crown factor or to the landlord's agent. Since Mr. George does not prohibit the making of fortunes, he cannot prevent commercial kings from America or great brewers from England hiring forests in the Scotch Highlands. And since, in spite of his celebrated declaration that "to the landed estates of the Duke of Westminster the poorest child that is born in London to-day has as much right as has his eldest son," he would still leave the Duke a princely income from the rents of the buildings upon his estates, and would suffer him to enjoy it without paying a single tax or rate on it all (p. 320); why should the Duke give up his forest in Assynt, merely because the Crown is to draw the rent instead of the Duke of Sutherland? Mr. George accordingly proposes a remedy that would remedy nothing, but leave things just as they are. Deer forests and the like may not be the best use of the land, but the particular change Mr. George suggests would not suppress them or even in the slightest degree check their spread, and would not throw the ground now occupied by them into the ordinary market for cultivation. And, besides, even if it did, the land so provided for new comers would necessarily soon come to an end, and with it Mr. George's "simple and sovereign remedy," at least in its specific operation.

But it is noteworthy that in his recent lectures in this country, Mr. George made little account of the specific operation of his remedy as a means of furnishing un-

employed labourers with a practicable alternative in agricultural production, to which they might continue indefinitely to resort, and that he preferred for the most part drawing his cure for poverty from the public revenue which the confiscation of rent would place at the disposal of the community. Now as to this aspect of his remedy, it is surely one of the oddest of his delusions to dream of curing pauperism by multiplying the recipients of poor relief, and taking away from it, as he claims credit for doing, through the countenance of numbers, that reproach which has hitherto been the strongest preventive against it. Besides, he and his friends greatly exaggerate the amount of the fund the country would derive from the rent of its ground. It would really fall far short of paying the whole of our present taxation, not to speak of leaving anything over for wild schemes of speculative beneficence. The rural rent of the country is only seventy millions, and that sum includes the rent of buildings, which Mr. George does not propose to touch, and which would probably in the aggregate balance the ground rent of towns, which he includes in his confiscation project. Now our local taxation alone comes very near that figure, and certainly the people generally can scarcely be expected to rise from a condition of alleged poverty to one of substantial wealth, or even comfort, through merely having their local rates paid for them.

The result would therefore be poor, even if no compensation were to be made to the present receivers of the rent; but with the compensation price to pay, it would be really too ridiculously small to throw a whole nation into labour and disorder for. Much may be done — much must be done — to make the land of the country more available and more profitable for the wants

of the body of the people, but not one jot of what is required would be done by mere nationalisation of the ownership, or even done better on such a basis than on that which exists. The things that are requisite and necessary would remain still to be done, though land were nationalised to-morrow, and they can be equally well done without introducing that cumbrous innovation at all. With compensation the scheme is futile; without it, it is repugnant to a healthy moral sense. Mr. George indeed regards confiscation as an article of faith. It is of the essence of the message he keeps on preaching with so much conviction and courage and fervour. Private property in land, he tells us, is robbery, and rent is theft, and the reason he offers for these strong assertions is that nothing can rightly be private property which is not the fruit of human labour, and that land is not the fruit of human labour, but the gift of God. As the gift of God, it was, he believes, intended for all men alike, and therefore its private appropriation seems to him unjust. Under these circumstances he considers it as preposterous to compensate landowners for the loss of their land, as it would be to compensate thieves for the restitution of their spoil. To confiscate land is only to take one's own; Mr. George has no difficulty about the sound of the word, nor is he troubled by any subtleties as to the length it is proper to go in the work. Mr. Mill, whose writings probably put Mr. George first on this track, proposed to intercept for national purposes only the future unearned increase of the rent of land, only that portion of the future increase of rent which should not be due to the expenditure of labour and capital on the soil. Mr. George would appropriate the entire rent, the earned increase as well as the unearned, the past as well as the future; with this

exception that interest on such improvements as are the fruit of human exertion, and are clearly distinguished from the land itself, would be allowed for a moderate period. He says, in one place, "But it will be said: These are improvements which in time become indistinguishable from the land itself! Very well; then the title to the improvements becomes blended with the title to the land; the individual right is lost in the common right. It is the greater that swallows up the less, not the less that swallows up the greater. Nature does not proceed from man, but man from nature, and it is into the bosom of nature that he and all his works must return again" (p. 242). And in another place, speaking of the separation of the value of the land from the value of the improvements, he says: "In the oldest country in the world no difficulty whatever can attend the separation, if all that be attempted is to separate the value of the clearly distinguishable improvements, made within a moderate period, from the value of the land, should they be destroyed. This manifestly is all that justice or policy requires. Absolute accuracy is impossible in any system, and to attempt to separate all the human race has done from what nature originally provided, would be as absurd as impracticable. A swamp drained, or a hill terraced by the Romans, constitutes now as much a part of the natural advantages of the British Isles as though the work had been done by earthquake or glacier. The fact that after a certain lapse of time the value of such permanent improvements would be considered as having lapsed into that of the land, and would be taxed accordingly, could have no deterrent effect on such improvements, for such works are frequently undertaken upon leases for years" (p. 302). The sum of this teaching seems to be that Mr.

George would recognise no separate value in any improvements except buildings, and would be disposed to appropriate even them after such lapse of time as would make it not absolutely unprofitable to erect them.

What Mr. George fails to perceive is that agricultural land is in no sense more a gift of God, and in no sense less an artificial product of human labour, than other commodities, than gold, for example, or cattle, or furniture, in which he owns private property to be indisputably just. Some of the richest land in England lies in the fen country, and that land is as much the product of engineering skill and prolonged labour as Portland Harbour or Menai Bridge. Before the days of Sir Cornelius Vermuyden it was part of the bottom of the sea, and its inhabitants, as they are described by Camden, trode about on stilts, and lived by snaring waterfowl. Some of the best land in Belgium was barren sand heaps a hundred years ago, and has been made what it is only by the continuous and untiring labour of its small proprietors. In these cases the labour and the results of the labour are obvious, but no cultivated land exists anywhere that is not the product of much labour — certainly much more labour than Mr. George seems to have any idea of. In the evidence taken before the recent Crofters' Commission, Mr. Greig, who conducted the Duke of Sutherland's improvements in the Strath of Kildonan, stated that the cost of reclaiming 1,300 acres of land there, and furnishing them with the requisite buildings for nine variously sized farms, was £46,000. Apart from the buildings, the mere work of reclamation alone is generally estimated to have cost £20 an acre, and in another part of the same estates an equally extensive piece of reclamation is said to have cost £30 an acre. By means of this great expenditure

of capital and labour, land that would hardly fetch a rent of a shilling an acre before is worth twenty or thirty shillings an acre now. Not the buildings only, but the land itself has been made what it is by labour. It has been adapted to a useful office by human skill as really as the clay is by the potter, or the timber by the wright. Deduct from the rent of these reclaimed acres the value contributed by human labour, and how much would remain to represent the gift of God? And would it be greater or less than would remain after a like process applied, say, to a sovereign or to a nugget of gold? Mr. George has no scruple about the justice of private property and inheritance in the nugget, and indeed in all kinds of moveable wealth. "The pen with which I am writing," he says, for example, "is justly mine. No other human being can rightfully lay claim to it, for in me is the title of the original producers who made it" (p. 236). The original producer of the nugget appropriated what was surely a gift of God as much as the clays or loams of husbandry, and if he, as Mr. George admits, has "a clear and indefeasible title to the exclusive possession and enjoyment" of his nugget, and may transmit that title by bequest or sale unimpaired for an unrestricted period of time, why is the original producer of agricultural land to be held up as more than half a thief, and the present possessor as one entirely? And if a proprietor has spent £20,000 in buildings, and £26,000 in reclamations, in order to convert the surface of the earth into useful arable soil, why is he to be allowed rent on the £20,000, and denied it on the £26,000?

So far as the distinction between gifts of nature and products of labour goes, moveable wealth and immoveable stand on precisely the same footing. Both are

alike gifts of nature, and both are alike products of labour. In thinking otherwise Mr. George is certainly supported by the high authority of Mr. Mill, who has also failed to recognise how far arable land was really an artificial product. He says: "The land is not of man's creation, and for a person to appropriate to himself a mere gift of nature, not made to him in particular, but which belonged to all others until he took possession of it, is *primâ facie* an injustice to all the rest" (Dissert. iv., 289). But what is of man's creation? He finds his materials already created, and he merely appropriates them, and adapts them to his own uses by labour, exactly as he does with the soil that in his hands becomes fruitful fields. Land is as much a creation of man as anything else is, and everything is as much a gift of God as land. That distinction is therefore of no possible help to us. The true ground for observing a difference between the right of property in land and the right of property in other things must be sought for elsewhere. It is not because land is a gift of nature, while other things are products of labour, but because land is at once limited in quantity, and essential to the production of the general necessaries of life. These are the characteristics, that make land a unique and exceptional commodity, and require the right of property in it to be subject to different conditions from the right of property in other products of labour. The justification of the restriction of that right in the case of land accordingly rests neither on theological dogma nor on metaphysical distinction, but on a plain practical social necessity. Where land is still abundant, where population is yet scanty as compared with the land it occupies, there is no occasion for interference; the proprietor might enjoy as absolute a title as Mr. George

claims over his pen, without any public inconveniénce, but, on the contrary, with all the public benefit that belongs to absolute ownership in other things. But as soon as population has increased so much as to compel recourse to inferior soils for its subsistence, it becomes the duty of society to see that the most productive use possible is being made of its land, and to introduce such a mode of tenure as seems most likely effectually to secure that end. Under these circumstances private property in land requires an additional justification, besides that which is sufficient for other things; it must be conducive to the best use of the land. Society has become obliged to husband its resources; if it will do so most efficiently by means of private property, private property will stand; if not, then it must fall. Of course land is not the only kind of property that is subject to this social claim. All property is so held, but in the case of other things the claim seldom comes into open view, because it is only on exceptional occasions that it is necessary to call it into active operation. Provisions are among the things Mr. George considers not gifts of God but products of labour, but in a siege private property in provisions would absolutely cease, and the social right would be all in all. These products of labour would be nationalised at that time because in the circumstances the general interests of the community required them to be so, and the reason why they are not nationalised at other times is at bottom really this, that the general interest of the community is better served by leaving them as they are. In some parts of the world all products of labour actually are nationalised; in Samoa, for example, a man who wants anything has a latent but recognised claim to obtain it from any man who has it; but Dr. Turner explains that the result is

most pernicious, because while it has extinguished absolute destitution, it has lowered the level of prosperity and prevented all progress, no man caring to labour when he cannot retain the fruits of his labour. Civilised communities, however, have always perceived the immense public advantage of the institution of private property, and the right to such property, of whatever kind, really rests in the last analysis on a social justification, and is held subject to a social claim, if any reason occurred to exert it. In this respect there is nothing peculiar about land. The only peculiarity about land is that a necessity exists for the practical exercise of the claim, because landed property involves the control of the national food supply, and of other primary and essential needs of the community. The growth of population forces more and more imperatively upon us the necessity of making the most of our land, and consequently raises the question how far private property in such a subject is conducive to that end.

Now, in regard to capital invested in trade manufactures, it has always been justly considered that the private interest of its possessor constitutes the best guarantee for its most productive use, because the trader or manufacturer is animated by the purely commercial motive of gaining the greatest possible increase out of the employment of his capital. But it must be admitted that the private interest of the landlord does not supply us with so sure a guarantee. He desires wealth no doubt as well as the trader, but he is not so purely influenced by that desire in his use of his property. He is apt to sacrifice the most productive use of land — or, in other words, his purely pecuniary interest — to considerations of ease or pleasure, or social importance, or political influence. He may consolidate farms, to the

distress of the small tenants and the injury of the country generally, merely because there is less trouble in managing a few large farmers than a number of small; or he may refuse to give his tenants those conditions of tenure that are essential to efficient cultivation of the land, merely to keep them more dependent on himself in political conflicts. Mr. George, however, has a strong conviction that even the purely pecuniary interest of the private owner tends to keep land out of cultivation, but he builds his conclusion on the special experiences of land speculation rather than on the general facts of land-owning. Of course if there were no land-owning there would be no land speculation, but to abolish land-owning merely to cure the evils of land speculation is, if I may borrow an illustration of his own, tantamount to burning a house to roast a joint. Besides, all that is alleged is that speculation keeps a certain amount of land in America out of the market. In other countries it suffers from a contrary reproach. The evil of the *bandes noires* of France and the *Landmetzger* of Germany is their excessive activity in bringing land into the market, by which they have aggravated the pernicious sub-division of estates that exist. In America the effect of speculation may be different, but at any rate keeping land out of the market is one thing, keeping it out of cultivation is another; and it is hard to see how speculation should prevent the extension of cultivation, because cultivation may be as well undertaken by tenant as proprietor, and why should a speculator, who buys land to sell it in a few years at a high profit, object to taking an annual rent in the interval from any one who thought it would pay him to hire the land? It would not be fair to condemn the landlord for the sins of the land speculator, even if

the latter were all that Mr. George's curious horror of him represents him to be, and if he exercised any of the irrationally extravagant effects which Mr. George ascribes to his influence over the economy of things; but as a matter of fact a sober judgment can discover no possible reason why the private interest of a land speculator as such should stand in the way of the cultivation of the soil he happens to hold. What concerns us here, however, is not the private interest of the speculator, but the private interest of the landlord, whether a speculative purchaser or not. Now, much land lies waste at present through the operation of the game laws, which establish an artificial protection of sport as an alternative industry against agriculture, but then the general institution of private property in land must not be credited with the specific effects of the game laws, and need not be suppressed in order to get rid of them. The abolition of these laws would place the culture of wild animals and the culture of domestic animals on more equal terms in the commercial competition, and would probably restore the balance of the landlord's pecuniary advantage in favour of the latter. Besides, it is not a question of ownership but of occupation of land that is really involved. If the land were nationalised to-morrow, the State would have to decide whether it would let as much land as had hitherto been let to sporting tenants; and of course it can decide that, if it chooses, now.

So far as I am able to judge, there is only one respect in which the pecuniary interest of the landlord appears to be unfavourable to an extension of cultivation. There is probably a considerable quantity of land that might be cultivated with advantage to the community generally by labourers who expected nothing from it but the

equivalent of ordinary wages, and which is at present suffered to lie waste, because its produce would be insufficient to yield anything more than wages and would afford nothing to the capitalist farmer as profit or to the landlord as rent. How far this operates I have, of course, no means of knowing; but here again, one may deal with waste ground if it were judged requisite to do so, without resorting to any revolutionary schemes of general land nationalisation. Of course much land is kept in an inferior condition, or perhaps absolutely waste, through want of capital on the part of its owners, but the same result would happen under the nationalisation plan, through want of capital on the part of the tenants. Mr. George does not propose to supply any of the necessary capital out of public funds, but trusts to the enterprise and ability of the tenants themselves to furnish it; so that the occupier would be no better situated under the State than he would be under an embarrassed landlord, if he enjoyed compensation for his improvements. In either case he would improve as far as his own means allowed, and he would improve no further. But if by nationalisation of land we get rid of the embarrassed landlord, we lose at the same time the wealthy one, and the tenants of the latter would be decidedly worse off under the State, which only drew rents, but laid out no expenses. The community, too, and the general cultivation of the country would be greatly the losers. Mr. George has probably little conception of the amount of money an improving landlord thinks it necessary to invest in maintaining or increasing the productive capacity of his land. A convenient illustration of it is furnished by the evidence of Sir Arnold Kemball, commissioner of the Duke of Sutherland, before the recent Crofters' Commission.

Sir Arnold gave in an abstract of the revenue and expenditure on the Sutherland estates for the thirty years 1853–1882, and it appears that the total revenue for that period was £1,039,748, and the total expenditure (exclusive of the expenses of the Ducal establishment in Sutherland) was £1,285,122, or a quarter of a million more than the entire rental. Here, then, is a dilemma for Mr. George: With equally liberal management of the land on the part of the State, how is he to endow widows and pay the taxes of the *bourgeoisie* out of the rents? And without such liberal management how is he to promote the spread of cultivation better than the present owners?

The production of food, however, is only one of those uses of the land in which the public have a necessary and growing interest. They require sites for houses, for churches, for means of communication, for a thousand purposes, and the landlord refuses to grant such altogether, or charges an exorbitant price for the privilege. He has refused sites to churches from sectarian reasons; for labourers' cottages in rural districts for fear of increasing the poor-rate; in small towns with a growing trade from purely sentimental objections to their growth; he has refused rights of way to people in search of pure air, for fear they disturbed his game, and he has enclosed ancient paths and commons which had been the enjoyment of all from immemorial time. I do not speak of the ground rent in large cities where owners are numerous, because that, though a question of great magnitude, involves peculiarities that separate it from the allied question of rural ground rent, and make it more advantageously treated on its own basis. But in country districts where owners are few, and the possession of land therefore confers on one man power

of many sorts over the growth and comfort of a whole community, that power ought certainly to be closely controlled by the State. Its tyrannical exercise has probably done more than anything else to excite popular hostility against landlordism, and to lend strength to the present crusade for the total abolition of private property in land. But here again the cure is far too drastic for the disease. What is needed is merely the prevention of abuses in the management of land, and that will be accomplished better by regulations in the interest of the community than by any scheme of complete nationalisation. A sound land reform must — in this country at least — set its face in precisely the contrary direction. It must aim at multiplying, instead of extirpating, the private owners of land, and at nursing by all wise and legitimate means the growth of a numerous occupying proprietary. State ownership by itself is no better guarantee than private ownership by itself for the most productive possible use of the land; indeed, if we judge from the experience of countries where it is practised, it is a much worse one; but by universal consent the best and surest of all guarantees for the highest utilisation of the land is private ownership, coupled with occupation by the owner.

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